



中國基建投資有限公司
China Infrastructure Investment Limited

Stock Code 股份代號: 600



2021
ANNUAL REPORT
年報

CONTENTS

目錄

Corporate Information	公司資料	2
Chairman's Statement	主席報告	4
Management Discussion and Analysis	管理層討論與分析	6
Corporate Governance Report	企業管治報告	12
Directors and Senior Management	董事及高級管理層	37
Directors' Report	董事會報告	41
Independent Auditors' Report	獨立核數師報告	54
Consolidated Statement of Profit or Loss	綜合損益表	67
Consolidated Statement of Profit or Loss and Other Comprehensive Income	綜合損益及其他全面收益表	68
Consolidated Statement of Financial Position	綜合財務狀況表	69
Consolidated Statement of Changes in Equity	綜合權益變動表	71
Consolidated Statement of Cash Flows	綜合現金流量表	73
Notes to the Consolidated Financial Statements	綜合財務報表附註	75
Five Years Financial Summary	五年財務摘要	218
Group Properties	集團物業	219

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS:

Mr. LU Yi (Chairman and Chief Executive Officer)
(Appointed as executive director on 12 August 2021
and chairman on 1 August 2023)

Mr. XU Feng (Appointed on 18 September 2023)

Mr. YE De Chao

Mr. JI Xu Dong (Resigned on 12 August 2021)

Mr. XU Xiao Jun (Resigned on 18 September 2023)

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. HE Jin Geng

Mr. YU Hong Gao

Ms. CHEN Yang

COMPANY SECRETARY

Mr. WONG Hoi Kuen (Appointed on 1 August 2023)

Mr. TSUI Siu Hung Raymond (Resigned on 13 January 2023)

Mr. TSO Ping Cheong Brian (Resigned on 1 December 2021)

AUDIT COMMITTEE

Mr. HE Jin Geng (Chairman)

Mr. YU Hong Gao

Ms. CHEN Yang

REMUNERATION COMMITTEE

Mr. YU Hong Gao (Chairman)

Mr. XU Feng (Appointed on 18 September 2023)

Mr. HE Jin Geng

Ms. CHEN Yang

Mr. XU Xiao Jun (Resigned on 18 September 2023)

NOMINATION COMMITTEE

Mr. LU Yi (Chairman)

(Appointed on 1 August 2023)

Mr. XU Xiao Jun (Resigned on 1 August 2023)

Mr. HE Jin Geng

Mr. YU Hong Gao

Ms. CHEN Yang

CORPORATE GOVERNANCE COMMITTEE

Mr. LU Yi (Chairman)

(Appointed on 1 August 2023)

Mr. XU Xiao Jun (Resigned on 1 August 2023)

Mr. HE Jin Geng

Mr. YU Hong Gao

Ms. CHEN Yang

董事會

執行董事:

盧翊先生 (主席兼行政總裁)

(於二零二一年八月十二日獲委任為

執行董事並於二零二三年八月一日

獲委任為主席)

徐峰先生 (於二零二三年九月十八日獲委任)

業德超先生

季旭東先生 (於二零二一年八月十二日辭任)

徐小俊先生 (於二零二三年九月十八日辭任)

獨立非執行董事:

何金耿先生

郁紅高先生

陳洋女士

公司秘書

黃海權先生 (於二零二三年八月一日獲委任)

徐兆鴻先生 (於二零二三年一月十三日辭任)

曹炳昌先生 (於二零二一年十二月一日辭任)

審核委員會

何金耿先生 (主席)

郁紅高先生

陳洋女士

薪酬委員會

郁紅高先生 (主席)

徐峰先生 (於二零二三年九月十八日獲委任)

何金耿先生

陳洋女士

徐小俊先生 (於二零二三年九月十八日辭任)

提名委員會

盧翊先生 (主席)

(於二零二三年八月一日獲委任)

徐小俊先生 (於二零二三年八月一日辭任)

何金耿先生

郁紅高先生

陳洋女士

企業管治委員會

盧翊先生 (主席)

(於二零二三年八月一日獲委任)

徐小俊先生 (於二零二三年八月一日辭任)

何金耿先生

郁紅高先生

陳洋女士

Corporate Information 公司資料

AUDITORS

Asian Alliance (HK) CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditors
8/F., Catic Plaza
8 Causeway Road
Causeway Bay
Hong Kong

REGISTERED OFFICE

Cayman Islands

The R&H Trust Co. Ltd.
Windward 1, Regatta Office Park
Grand Cayman
Cayman Islands

Hong Kong

Room 705A, 7/F., New East Ocean Centre
9 Science Museum Road
Tsim Sha Tsui East
Kowloon, Hong Kong

SHARE REGISTRARS & TRANSFER OFFICE

Principal Share Registrar

The R&H Trust Co. Ltd.
Windward 1, Regatta Office Park
Grand Cayman
Cayman Islands

Hong Kong Branch Share Registrar

Tricor Investor Services Ltd
17/F., Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

Bank of Communications Company Limited

STOCK CODE

00600

WEBSITE

<http://www.china-infrastructure.com>

核數師

華融(香港)會計師事務所有限公司
執業會計師
註冊公眾利益實體核數師
香港
銅鑼灣
高士威道8號
航空大廈8樓

註冊辦事處

開曼群島

The R&H Trust Co. Ltd.
Windward 1, Regatta Office Park
Grand Cayman
Cayman Islands

香港

香港九龍
尖沙咀東
科學館道9號
新東海商業中心7樓705A室

股份過戶登記處

主要股份登記處

The R&H Trust Co. Ltd.
Windward 1, Regatta Office Park
Grand Cayman
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
夏慤道16號
遠東金融中心17樓

主要往來銀行

交通銀行股份有限公司

股票代碼

00600

網址

<http://www.china-infrastructure.com>

CHAIRMAN'S STATEMENT

主席報告

On behalf of the board (the “**Board**”) of directors (the “**Director(s)**”) of China Infrastructure Investment Limited (the “**Company**”), I am pleased to present the final results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2021.

ANNUAL RESULTS

Since early 2020, the outbreak of the coronavirus disease 2019 (“**COVID-19**”) has created significant disruption and uncertainty to the business operations and livelihood of people throughout the world. The COVID-19 pandemic has resulted in government authorities implementing various precaution measures, including travel restrictions, quarantines, lock-down orders, business limitations and shutdowns. These measures have negatively impacted business activities generally, and have significantly contributed to deteriorating macroeconomic conditions. The COVID-19 pandemic has had a negative impact on our businesses during the financial year ended 31 December 2021.

The revenue of the Group for the year ended 31 December 2021 was approximately HK\$3,157,000 as compared with approximately HK\$127,414,000 for the year ended 31 December 2020. The loss attributable to owners of the Company for the year ended 31 December 2021 was approximately HK\$581,677,000 as compared with the loss attributable to owners of the Company of approximately HK\$278,857,000 for the year ended 31 December 2020. The increase in loss for the year ended 31 December 2021 was primarily due to (i) the loss arising on change in fair value of investment properties amounting to approximately HK\$24,944,000 (2020: approximately HK\$77,966,000); (ii) the impairment loss recognised in respect of property, plant and equipment amounting to approximately HK\$113,999,000 (2020: HK\$87,937,000); (iii) the impairment loss recognised in respect of financial assets under expected credit losses model amounting to approximately HK\$192,300,000 (2020: HK\$40,723,000); and (iv) the share of losses of associates amounting to approximately HK\$169,558,000 (2020: HK\$144,569,000).

本人謹代表中國基建投資有限公司(「本公司」)之董事(「董事」)會(「董事會」)，欣然提呈本公司及其附屬公司(統稱「本集團」)截至二零二一年十二月三十一日止年度的末期業績。

全年業績

自二零二零年初起，2019冠狀病毒病(「COVID-19」)爆發令全球業務經營及市民生計遭受重大阻礙及不確定因素。政府當局已就COVID-19疫情實施旅遊限制、隔離檢疫、封鎖令、營業限制及停業等防範措施。該等措施整體上對業務活動造成負面影響，並從很大程度上引致宏觀經濟環境低迷。截至二零二一年十二月三十一日止財政年度，COVID-19疫情對我們的業務造成負面影響。

於截至二零二一年十二月三十一日止年度，本集團錄得收益約為3,157,000港元，而於截至二零二零年十二月三十一日止年度則約為127,414,000港元。於截至二零二一年十二月三十一日止年度，本公司擁有人應佔虧損約為581,677,000港元，而於截至二零二零年十二月三十一日止年度則錄得本公司擁有人應佔虧損約為278,857,000港元。截至二零二一年十二月三十一日止年度的虧損增加主要由於(i)投資物業公平值變動產生虧損約24,944,000港元(二零二零年：約77,966,000港元)；(ii)就物業、廠房及設備確認減值虧損約113,999,000港元(二零二零年：87,937,000港元)；(iii)就預期信貸虧損模型下之金融資產確認減值虧損約192,300,000港元(二零二零年：40,723,000港元)；及(iv)應佔聯營公司之虧損約169,558,000港元(二零二零年：144,569,000港元)所致。

Chairman's Statement

主席報告

PROSPECTS

Causing disruptions to the market and society, the COVID-19 outbreak around the world has also inevitably posed threats to the PRC as well as the global economy. The Group has thus confronted great challenges over the past years in both internal and external manners. Owing to the sluggish economic environment caused by the lingering COVID-19 pandemic, the real estate market in the PRC has been encompassed with an uncertain atmosphere. The Group therefore adopted a more conservative view and strategy in the property development and investment business. For the natural gas business, the Group will continue to identify and explore thriving business opportunities not only in the PRC but also in other countries across the globe so as to further develop the business in this sector in the foreseeable future.

LU Yi

Chairman

5 January 2024

未來展望

全球COVID-19疫情干擾市場及社會，亦不可避免地對中國及全球經濟帶來威脅。本集團因此於過往年度面臨內外部的重大挑戰。由於COVID-19疫情持續造成的低迷經濟環境，中國房地產市場陷入未知境地。本集團因此對物業發展及投資業務採納更保守的見解及戰略。就天然氣業務而言，本集團將繼續在中國及全球其他國家識別及探索蓬勃發展的商機，以於可見未來進一步發展本領域業務。

盧翊

主席

二零二四年一月五日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW AND OUTLOOK

PROPERTIES INVESTMENT

天津俊華物流有限公司 (Tianjin Jun Hua Logistics Company Limited*)

Tianjin Jun Hua Logistics Company Limited (“**Tianjin Jun Hua Logistics**”) is principally engaged in the business of property rentals and operation of storage units. Tianjin Jun Hua Logistics owns a property with a land use area of 11,331.30 square metres, comprising of one building with one storey of 704.16 square metres and another building with four storeys of 10,807.91 square metres at Tianjin Economic and Technological Development Zone, Tianjin City, the PRC. The property is located in the Tianjin Harbour, which is one of the main transportation hubs of the PRC. This project provides a steady rental income stream to the Group.

天津滙力源動力設備有限公司 (Tianjin Hui Li Yuan Power Equipment Co. Ltd.*)

Tianjin Hui Li Yuan Power Equipment Co. Ltd. (“**Tianjin Hui Li Yuan**”) is principally engaged in the business of property rentals and property development. Tianjin Hui Li Yuan is the legal owner of the land use right for a parcel of land with an area of approximately 29,012.72 square metres located at Tianjin Economic and Technological Development Zone, Tianjin City, the PRC. The land is now for industrial use and having two 4-storey buildings (namely Block Nos. 3 and 4) with a total gross floor area of 18,333 square metres under construction. Whilst the construction work for the other 2 buildings (namely Block Nos. 1 and 2) with a total gross floor area of 46,445 square metres was yet to commence.

業務回顧及展望

物業投資

天津俊華物流有限公司

天津俊華物流有限公司(「**天津俊華物流**」)主要從事物業租賃及倉儲單位營運業務。天津俊華物流擁有一處位於中國天津市天津經濟技術開發區的物業，土地使用面積為11,331.30平方米(包括一幢面積為704.16平方米的一層樓宇及另一幢面積為10,807.91平方米的四層樓宇)。該物業位於中國主要交通樞紐之一——天津港。該項目為本集團提供穩定租金收入來源。

天津滙力源動力設備有限公司

天津滙力源動力設備有限公司(「**天津滙力源**」)主要從事物業租賃及物業發展業務。天津滙力源為一幅地塊的土地使用權的法定擁有人，該地塊面積為約29,012.72平方米，位於中國天津市天津經濟技術開發區。該土地現時用作工業用途，建有兩幢總建築面積為18,333平方米的四層在建樓宇(即第3幢及第4幢)，而其他兩幢總建築面積為46,445平方米的樓宇(即第1幢及第2幢)的建築工程尚未動工。

* For identification purpose only

Management Discussion and Analysis

管理層討論與分析

Entering into the Strategic Cooperation Memorandum of Understanding and its Termination with Hongkong Yueshi Group Co., Limited

On 30 September 2021, the Company entered into a strategic cooperation memorandum of understanding (the “**MOU**”) with Hongkong Yueshi Group Co., Limited (the “**Potential Cooperation Partner**”) for a strategic cooperation in the site selection, project development, leasing and property management services of an integrated development project that combines traditional Chinese medicine pharmacies, traditional Chinese medicine cultural experience center, medicated food and catering outlets, Chinese medical health care and wellness centers (the “**Cooperation**”). The core business of the potential cooperation partner is based in the PRC, and involves various business segments of Chinese medicine culture dissemination, retail of Chinese medicine, Chinese medicine health care and health tourism.

As at 20 October 2021, a formal cooperation agreement in connection to the Cooperation was not signed between both parties. The Company had been considering and reviewing the Cooperation since the signing of the MOU. However, in view of the fact that the Company failed to reach a consensus on certain terms or forms of Cooperation with the Potential Cooperation Partner, the Company has agreed to terminate the MOU and the negotiation with the Potential Cooperation Partner on possible modes of cooperation (the “**Negotiation**”) contemplated thereunder. The Board considers that the termination of the MOU and the Negotiation contemplated thereunder will not have any material adverse impact on the financial position or the operations of the Group.

Further details are set out in the announcements of the Company dated 30 September 2021 and 20 October 2021.

與香港樂氏集團有限公司訂立戰略合作備忘錄及其終止

於二零二一年九月三十日，本公司與香港樂氏集團有限公司（「**潛在合作夥伴**」）於中國合作開展有關結合中醫老藥鋪、中醫文化體驗館、藥膳餐飲館、中醫保健康養館及康養中心的綜合開發項目的連鎖中心選址、開發、租賃及物業管理服務（「**合作項目**」）訂立一份諒解備忘錄（「**諒解備忘錄**」）。潛在合作夥伴主要業務在中國，其業務涉及中醫藥文化傳播、中醫藥鋪、中醫保健及康養旅遊多個業務板塊。

於二零二一年十月二十日，雙方尚未就合作簽署正式合作協議。本公司自簽訂該諒解備忘錄以來一直持續考慮及審議該合作項目，唯鑒於本公司未能與潛在合作夥伴就若干合作的條款或形式達成共識，本公司已同意終止該諒解備忘錄及與潛在合作夥伴就其擬進行之可能合作模式進行磋商（「**磋商**」）。董事會認為，終止該諒解備忘錄及就其擬進行之磋商將不會對本集團的財務狀況或業務造成任何重大不利影響。

有關詳情載於本公司日期為二零二一年九月三十日及二零二一年十月二十日的公告。

Management Discussion and Analysis

管理層討論與分析

OUTLOOK

Causing disruptions to the market and society, the COVID-19 outbreak around the world has also inevitably posed threats to the PRC as well as the global economy. The Group has thus confronted great challenges over the past years in both internal and external manners. Owing to the sluggish economic environment caused by the lingering COVID-19 pandemic, the real estate market in the PRC has been encompassed with an uncertain atmosphere. The Group therefore adopted a more conservative view and strategy in the property development and investment business. For the natural gas business, the Group will continue to identify and explore thriving business opportunities not only in the PRC but also in other countries across the globe so as to further develop the business in this sector in the foreseeable future.

HUMAN RESOURCES

At 31 December 2021, the Group had a total of approximately 14 staff in Hong Kong and the PRC. The Group remunerates employees based on their performance, experience and prevailing industry practices so as to retain the competent and talented employees.

FINANCIAL REVIEW

RESULTS

The revenue of the Group for the year ended 31 December 2021 was approximately HK\$3,157,000, as compared with approximately HK\$127,414,000 for the year ended 31 December 2020. The loss attributable to owners of the Company for the year ended 31 December 2021 was approximately HK\$581,677,000 as compared with the loss attributable to owners of the Company of approximately HK\$278,857,000 for the year ended 31 December 2020. The increase in loss for the year ended 31 December 2021 was primarily due to (i) the loss arising on change in fair value of investment properties amounting to approximately HK\$24,944,000 (2020: approximately HK\$77,966,000); (ii) the impairment loss recognised in respect of property, plant and equipment amounting to approximately HK\$113,999,000 (2020: HK\$87,937,000); (iii) the impairment loss recognised in respect of financial assets under expected credit losses model amounting to approximately HK\$192,300,000 (2020: HK\$40,723,000); and (iv) the share of losses of associates amounting to HK\$169,558,000 (2020: HK\$144,569,000).

未來展望

全球COVID-19疫情干擾市場及社會，亦不可避免地對中國及全球經濟帶來威脅。本集團因此於過往年度面臨內外部的重大挑戰。由於COVID-19疫情持續造成的低迷經濟環境，中國房地產市場陷入未知境地。本集團因此對物業發展及投資業務採納更保守的見解及戰略。就天然氣業務而言，本集團將繼續在中國及全球其他國家識別及探索蓬勃發展的商機，以於可見未來進一步發展本領域業務。

人力資源

於二零二一年十二月三十一日，本集團於香港及中國合共有約14名員工。本集團按照僱員表現、資歷及現行行業慣例釐定僱員薪酬，以挽留幹練及有才能之僱員。

財務回顧

業績

截至二零二一年十二月三十一日止年度，本集團錄得收益約為3,157,000港元，而截至二零二零年十二月三十一日止年度則約為127,414,000港元。截至二零二一年十二月三十一日止年度，本公司擁有人應佔虧損約為581,677,000港元，而截至二零二零年十二月三十一日止年度本公司擁有人應佔虧損則約為278,857,000港元。截至二零二一年十二月三十一日止年度的虧損增加主要由於(i)投資物業公平值變動產生虧損約24,944,000港元(二零二零年：約77,966,000港元)；(ii)就物業、廠房及設備確認減值虧損約113,999,000港元(二零二零年：87,937,000港元)；(iii)就預期信貸虧損模型下之金融資產確認減值虧損約192,300,000港元(二零二零年：40,723,000港元)；及(iv)應佔聯營公司之虧損169,558,000港元(二零二零年：144,569,000港元)所致。

Management Discussion and Analysis

管理層討論與分析

CAPITAL STRUCTURE

The capital structure of the Group consisted of debt (which included borrowings), cash and bank balances, and equity attributable to owners of the Company, comprising issued share capital and reserves of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

The Group monitors its liquidity requirements on a short to medium term basis and arranges refinancing of the Group's borrowings when appropriate. At 31 December 2021, the underlying current ratio, defined as current assets over current liabilities, was approximately 0.55 (2020: 1.72). At 31 December 2021, the underlying gearing ratio, defined as the total borrowings over total (deficit) equity (including non-controlling interests), was approximately (81%) (2020: 24%) while the current liabilities to the total assets ratio was approximately 159% (2020: 30%).

At 31 December 2021, the Group's equity attributable to owners of the Company was deficit of approximately HK\$(80,917,000) a decrease of approximately 117% over last year end which was approximately HK\$483,087,000. The net current liabilities as at 31 December 2021 was approximately HK\$173,265,000 (2020: net current assets of HK\$153,450,000) while cash and bank balances at 31 December 2021 was approximately HK\$1,862,000 (2020: HK\$18,491,000).

CONTINGENT LIABILITIES

Certain properties of a subsidiary were pledged in favour of a PRC trust company to secure the payment obligation of an independent third party in the sum of approximately HK\$97,960,000 (equivalent to RMB80,000,000) granted by the PRC trust company in favour of the independent third party. As at 31 December 2021, the outstanding loan amount of the independent third party was approximately HK\$97,960,000 (equivalent to RMB80,000,000) and the carrying amount of the pledged properties was approximately HK\$Nil (31 December 2020: HK\$110,882,000).

For details, please refer to Note 36 of the consolidated financial statements.

The Group had no other material contingent liabilities.

資本架構

本集團之資本架構包括債務（其包括借貸）、現金及銀行結餘以及本公司擁有人應佔權益（包括本集團已發行股本及儲備）。

流動資金及財務資源

本集團按中短期基準監控流動資金需求，並於適當時為本集團借貸安排再融資。於二零二一年十二月三十一日，相關流動比率（即流動資產除以流動負債）約為0.55（二零二零年：1.72）。於二零二一年十二月三十一日，相關資本負債比率（即總借貸除以（虧絀）權益總額（包括非控股股東權益））約為(81%)（二零二零年：24%），而流動負債對總資產之比率約為159%（二零二零年：30%）。

於二零二一年十二月三十一日，本公司擁有人應佔本集團權益為虧絀約(80,917,000)港元，較去年底約483,087,000港元減少約117%。於二零二一年十二月三十一日之流動負債淨額約為173,265,000港元（二零二零年：流動資產淨值153,450,000港元），而於二零二一年十二月三十一日之現金及銀行結餘約為1,862,000港元（二零二零年：18,491,000港元）。

或然負債

一間附屬公司之若干物業被抵押予一間中國信託公司，作為一名獨立第三方對該中國信託公司授予該獨立第三方為數約97,960,000港元（相當於人民幣80,000,000元）貸款的償付責任的擔保。於二零二一年十二月三十一日，獨立第三方之未償還貸款金額約為97,960,000港元（相當於人民幣80,000,000元）及抵押物業的賬面值約為零港元（二零二零年十二月三十一日：110,882,000港元）。

有關詳情，請參閱綜合財務報表附註36。

本集團並無其他重大或然負債。

Management Discussion and Analysis

管理層討論與分析

CHARGE ON ASSETS

At 31 December 2021, property, plant and equipment of approximately HK\$Nil (2020: HK\$110,882,000) was pledged as securities for payment obligation of an independent third party.

FOREIGN EXCHANGE RISK

During the year, most of the business transactions, assets and liabilities of the Group were denominated in Hong Kong Dollar, Renminbi and United States Dollar. The Group had no material foreign exchange exposure risks during the year.

FINAL DIVIDEND

The Board has resolved not to propose any final dividend for the year ended 31 December 2021 (2020: nil).

EVENTS AFTER THE REPORTING PERIOD

CAPITAL REORGANISATION

In extraordinary general meeting of the Company convened on 24 January 2022 (the “**EGM**”), the resolutions approving the capital reorganisation involving the share consolidation, the capital reduction and the share sub-division (the “**Capital Reorganisation**”) was duly passed by way of poll. The Capital Reorganisation involves:

(i) Share Consolidation (the “**Share Consolidation**”)

Every ten (10) issued and unissued Shares of par value of HK\$0.05 each in the share capital of the Company be consolidated into one (1) Consolidated Share of par value of HK\$0.5 each in the share capital of the Company (“**Consolidated Shares**”).

(ii) Capital Reduction (the “**Capital Reduction**”)

the Capital Reduction whereby the par value of each issued Consolidated Share will be reduced from HK\$0.50 to HK\$0.01 by cancelling the paid-up capital to the extent of HK\$0.49 on each issued Consolidated Share.

資產抵押

於二零二一年十二月三十一日，本集團已抵押物業、廠房及設備約零港元（二零二零年：110,882,000港元）作為獨立第三方付款責任之擔保。

外匯風險

於年內，本集團之大部分業務交易、資產及負債均以港元、人民幣及美金為計值單位。本集團於年內並無重大外匯風險。

末期股息

董事會議決不建議派發截至二零二一年十二月三十一日止年度之任何末期股息（二零二零年：無）。

報告期後事項

股本重組

於本公司於二零二二年一月二十四日召開的股東特別大會（「**股東特別大會**」）上，有關批准涉及股份合併、股本削減及股份拆細的股本重組（「**股本重組**」）的決議案以投票表決方式獲正式通過。股本重組包括：

(i) 股份合併（「**股份合併**」）

本公司股本中每十(10)股每股面值0.05港元之已發行及未發行股份合併為本公司股本中一(1)股每股面值0.5港元之合併股份（「**合併股份**」）。

(ii) 股本削減（「**股本削減**」）

股本削減，據此藉註銷每股已發行合併股份0.49港元之繳足股本而將每股已發行合併股份之面值由0.50港元削減至0.01港元。

Management Discussion and Analysis

管理層討論與分析

(iii) Share Sub-Division (the “Share Sub-Division”)

the Share Sub-division whereby immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares with par value of HK\$0.50 each be subdivided into fifty (50) ordinary shares with par value of HK\$0.01 each in the share capital of the Company (the “Adjusted Shares”).

The Share Consolidation became effective after the passing of the resolution in connection with the Share Consolidation as an ordinary resolution of the Company at the EGM. The Capital Reduction and the Share Sub-Division shall become effective after (i) the Grand Court of the Cayman Islands made an order confirming the Capital Reduction; (ii) registration by the Registrar of Companies of the Cayman Islands of a copy of the order of the Court confirming the Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Act (2021 Revision) of the Cayman Islands in respect of the Capital Reduction; and (iii) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting approval for the listing of, and permission to deal in, the Adjusted Shares. As at the date of this report, the Capital Reduction and Share Sub-division have not been effective.

Details of the Capital Reorganisation aforementioned are set out in (i) the announcement of the Company dated 16 December 2021 in relation to, among other things, the Capital Reorganisation; (ii) the circular of the Company dated 30 December 2022 in relation to the EGM; and (iii) the announcement of the Company dated 24 January 2022 in relation to, among other things, the poll results of the EGM.

(iii) 股份拆細（「股份拆細」）

股份拆細，據此於緊隨股本削減後，將本公司股本中每股面值0.50港元之法定但未發行合併股份拆細為五十(50)股每股面值0.01港元之普通股（「經調整股份」）。

股份合併於本公司於股東特別大會上通過有關股份合併的決議案（作為普通決議案）後生效。股本削減及股份拆細須待以下條件獲達成後，方可作實：(i)開曼群島大法院作出確認股本削減之頒令；(ii)開曼群島公司註冊處處長登記法院確認股本削減之頒令以及經法院批准載有開曼群島公司法（二零二一年修訂）所規定有關股本削減詳情之會議記錄；及(iii)香港聯合交易所有限公司（「聯交所」）上市委員會批准經調整股份上市及買賣。於本報告日期，股本削減及股份拆細尚未生效。

上述股本重組的詳情載於(i)本公司日期為二零二一年十二月十六日的公告，內容有關（其中包括）股本重組；(ii)本公司日期為二零二二年十二月三十日的通函，內容有關股東特別大會；及(iii)本公司日期為二零二二年一月二十四日的公告，內容有關（其中包括）股東特別大會投票表決結果。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board and the management of the Company are committed to the principles of corporate governance and to maximise shareholders' value. These principles and objectives enhance the transparency, accountability and independence of the Company and its ability to attract investment and protect rights of shareholders. The Company continues to review the effectiveness of corporate structure so as to improve its corporate governance practices.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) for the year ended 31 December 2021, except for the following deviations:

Code provision C.1.8 of the CG Code requires that the company should arrange appropriate insurance cover in respect of legal action against its directors. The Company did not arrange such insurance cover during the period as Directors considered that the risk of material legal claims against Directors is minimal. Nevertheless, the Board will review this arrangement from time to time in light of the prevailing circumstances and arrange for appropriate insurance coverage when necessary.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. Mr. XU Xiao Jun, the Chief Executive Officer of the Company, had also been appointed as the Chairman of the Company since 31 July 2017. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by current Board which comprises experienced and high calibre individuals with sufficient number thereof being independent non-executive Directors.

本公司董事會及管理層秉持企業管治原則及致力令股東價值最大化。該等原則及目標可提高本公司之透明度、問責性及獨立性以及其吸引投資及保障股東權利之能力。本公司將繼續檢討企業架構之成效，以優化其企業管治常規。

企業管治常規

本公司於截至二零二一年十二月三十一日止年度一直遵守香港聯合交易所有限公司證券上市規則（「**上市規則**」）附錄14所載企業管治守則（「**企管守則**」）之全部守則條文，惟下列偏離除外：

企管守則之守則條文第C.1.8條規定，公司應就其董事可能會面對的法律行動作適當的投保安排。由於董事認為董事可能會面對重大法律索償的風險甚微，故本公司於本期間並無作有關投保安排。然而，董事會將應現行情況不時檢討此安排，並於必要時作適當的投保安排。

企管守則的守則條文C.2.1規定主席及行政總裁之角色應有所區分及不應由同一人士擔任。主席與行政總裁的職責應明確劃分並以書面形式訂明。本公司行政總裁徐小俊先生自二零一七年七月三十一日起亦獲委任為本公司主席。董事會認為由同一人士擔任主席及行政總裁有助於保證本集團內部領導的貫徹一致，並保證本集團整體策略規劃更有效及高效地進行。董事會認為現時安排的權力及授權平衡將不會受到削弱及能夠得到現任董事會（其由經驗豐富及高素質的人士組成，並具有足夠數目的獨立非執行董事）的充分保證。

Corporate Governance Report

企業管治報告

Code provision D.2.5 of the CG Code stipulates that the Company should have an internal audit function. The Group does not have an internal audit function as the Board has reviewed the effectiveness of the internal control system of the Company and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. The situation will be reviewed from time to time.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Following a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had complied with the required standards as set out in the Model Code and the Own Code of Conduct since the Listing Date and up to 31 December 2021. The Model Code also applies to other specified senior management of the Group.

BOARD OF DIRECTORS

Each Director has a duty to act in good faith and in the best interests of the Company and is accountable for the manner in which the affairs of the Company are managed, controlled and operated. The Directors are collectively responsible for the success of the Company. The Board, as at 31 December 2021, comprised:

- (a) three executive Directors, namely Mr. XU Xiao Jun (Chairman and Chief Executive Officer), Mr. YE De Chao and Mr. LU Yi; and
- (b) three independent non-executive Directors, namely, Mr. HE Jin Geng, Mr. YU Hong Gao and Ms. CHEN Yang and one of whom has appropriate professional qualifications, accounting and related financial expertise required under Rule 3.10(2) of the Listing Rules.

Pursuant B.2.3 of Part 2 of the Corporate Governance Code, if an independent non-executive director serves more than 9 years, his further appointment should be subject to a separate resolution to be approved by shareholders. Mr. HE Jin Geng and Mr. YU Hong Gao have served as independent non-executive Directors for more than 9 years and shall retire at the AGM, and being eligible, offer themselves for re-election.

企管守則的守則條文D.2.5規定公司應設立內部審核功能。本集團並無內部審核功能，原因是董事會已檢討本公司內部監控系統之效用，目前認為根據本集團業務的規模、性質及複雜性，毋須即時於本集團內設立內部審核功能。該情況將不時進行檢討。

董事進行證券交易

本公司已採納標準守則作為有關董事進行證券交易的行為守則。經本公司向每位董事作出具體查詢後，所有董事已確認，彼等由上市日期起至二零二一年十二月三十一日期間已遵守標準守則及自身行為守則所載的規定標準。標準守則亦適用於本集團其他特定高級管理層。

董事會

各董事均有責任以本公司之最佳利益為大前提忠誠行事，並且須就本公司之管理、監控及營運事宜承擔責任。董事共同就本公司之成功承擔責任。於二零二一年十二月三十一日，董事會由以下成員組成：

- (a) 三位執行董事，分別為徐小俊先生（主席兼行政總裁）、業德超先生及盧翊生先生；及
- (b) 三位獨立非執行董事，分別為何金耿先生、郁紅高先生及陳洋女士，其中一位擁有上市規則第3.10(2)條規定之適當專業資格、會計及相關財務專業知識。

根據企業管治守則第二部分B.2.3，若獨立非執行董事在任已過九年，其是否獲續任應以獨立決議案形式由股東審議通過。何金耿先生和郁紅高先生已在任獨立非執行董事超過九年，須於股東週年大會上退任，並符合資格膺選連任。

Corporate Governance Report

企業管治報告

The Company considers that the Board has a range of the necessary skills and experiences for discharging their duties. All Directors have been kept informed of major changes on a timely basis that may affect the Company's business.

It is provided in the Company's articles of association that all the Directors are subject to retirement by rotation at least once every three years at the annual general meetings of the Company and are eligible for re-appointment.

INDEPENDENT PROFESSIONAL ADVICE

The Board has established mechanisms to ensure independent views and input are available to the Board, in particular, (i) independent non-executive Directors are encouraged to actively participate in the Board meetings; (ii) the number of independent non-executive Directors is in compliance with the requirements of the Listing Rules; and (iii) independent professional advice are obtained at the Company's expense to ensure that the independent non-executive Directors will have access to accurate and relevant professional views in the performance of their responsibilities. The Board will review the implementation and effectiveness of the above mechanisms on an annual basis.

BOARD MEETINGS

The Board meets regularly to formulate the objectives of the Company, make decisions on strategic plans and budgets, monitor the performance of the Senior Management, determine and review the strategy of the Company, oversee the Company's compliance with statutory and regulatory requirement and to ensure that there is a sound system of internal control and risk management with a goal of protecting the interests of all shareholders.

Sufficient notices accompanying with agendas for regular and non-regular board meetings were given to all of the Directors so that full attendance could be attained and timely information was provided so that informed decisions could be made. The Board conducts meeting on a regular and ad hoc basis, as required by business needs. Minutes of the board meetings should be kept by the company secretary of the Company with copies circulating to all Directors for information and records.

本公司認為，董事會各成員均具備多項必要之技能及經驗以履行彼等之職責。全體董事均及時獲知會各項可能影響本公司業務之重大變動。

本公司組織章程細則規定所有董事均須至少每三年在本公司股東週年大會上輪值退任一次及合資格於會上膺選連任。

獨立專業意見

董事會已建立機制，確保向董事會提供獨立意見及信息，尤其是(i)鼓勵獨立非執行董事積極參與董事會會議；(ii)獨立非執行董事數目符合上市規則的規定；及(iii)獨立專業意見由本公司承擔費用，確保獨立非執行董事於履行職責時將能夠獲得準確及相關的專業意見。董事會將每年檢討上述機制的實施及成效。

董事會會議

董事會定期舉行會議，旨在制定本公司之目標、為策略性計劃及預算作出決定、監察高級管理層之表現、確立及審核本公司之策略、監察本公司遵守法定及監管規定之情況，以及確保本集團具備健全之內部監控及風險管理系統，以保障全體股東權益。

全體董事已就定期及非定期董事會會議獲發足夠之通知及議程，以確保各董事均有出席該等會議及可在及時掌握有關資料的情況下作出知情決定。董事會定期舉行會議及在有業務需要時舉行特別會議。公司秘書應備存董事會會議記錄，並提供該等會議記錄副本予所有董事作參閱及記錄之用。

Corporate Governance Report

企業管治報告

The Board held totally four board meetings during the financial year and the attendance of individual director is recorded as follows:

於本財政年度內，董事會共舉行4次董事會會議，而個別董事之出席記錄如下：

Attendance Record of Board Meetings (1 January 2021 – 31 December 2021)

董事會會議之出席記錄（二零二一年一月一日至二零二一年十二月三十一日）

		Attendance 出席次數	Attendance Rate 出席率
Number of board meetings	董事會會議次數	4	
Directors	董事		
<i>Executive Directors</i>	<i>執行董事</i>		
XU Xiao Jun (<i>Chairman and Chief Executive Officer</i>)	徐小俊 (<i>主席兼行政總裁</i>)	4/4	100%
YE De Chao	業德超	4/4	100%
JI Xu Dong (<i>Resigned on 12 August 2021</i>)	季旭東 (<i>於二零二一年八月十二日辭任</i>)	1/1	100%
LU Yi (<i>Appointed on 12 August 2021</i>)	盧翊 (<i>於二零二一年八月十二日獲委任</i>)	2/2	100%
<i>Independent Non-executive Directors</i>	<i>獨立非執行董事</i>		
HE Jin Geng	何金耿	4/4	100%
YU Hong Gao	郁紅高	4/4	100%
CHEN Yang	陳洋	4/4	100%

All the Directors are also entitled to have access to timely information such as monthly updates in relation to our businesses and have separate and independent access to senior management of the Company.

全體董事亦有權取得及時的資訊，如有關本公司業務之每月更新；並有權單獨會見本公司高級管理人員。

INDEPENDENT NON-EXECUTIVE DIRECTORS

In compliance with Rules 3.10(1) and 3.10(2) of the Listing Rules, the Company has appointed at least three independent non-executive directors and one of whom must have appropriate professional qualifications or accounting or related financial management expertise. As at 31 December 2021, the independent non-executive Directors (the “INEDs”) represented at least one-third of the Board in compliance with Rule 3.10A of the Listing Rules.

獨立非執行董事

為符合上市規則第3.10(1)及3.10(2)條，本公司已委任至少三名獨立非執行董事，且其中一名須具備適當之專業資格或會計或相關財務管理專長。為符合上市規則第3.10A條，於二零二一年十二月三十一日，獨立非執行董事（「獨立非執行董事」）佔董事會成員人數至少三分之一。

Corporate Governance Report

企業管治報告

The Board is aware of other commitments of the INEDs and is satisfied that these do not conflict with their duties as the Directors of the Company. The Company has received from each of the INEDs an annual confirmation of his independence as required under Rule 3.13 of the Listing Rules. Based on these confirmations, the Company considers that each of the INEDs is independent.

Paragraph C.2.7 of the Code provides that the chairman should at least annually hold meetings with the independent non-executive Directors without the executive Directors and non-executive Directors present. Although the chairman did not hold a meeting with the INEDs, excluding the executive Directors and non-executive Directors during the year ended 31 December 2021, he delegated the company secretary to gather any concerns and/or questions that the INEDs might have and report to him for setting up follow-up meetings, whenever necessary, in due course.

The terms and conditions of appointing the INEDs are available for inspection at the Company's registered office.

BOARD DIVERSITY POLICY

The policy relating to the board diversity of the Group (the “**Board Diversity Policy**”) sets out the approach to achieve diversity on the Board in order to ensure the members of the Board possesses a balance of skills, experience, expertise and diversity of perspectives to promote effectiveness of decision-making and further, enhance the Company's corporate governance and the quality of its performance. In determining an optimum composition of the Board and its committees, the Company will consider all aspects of diversity, and take into account the Company's business model and specific needs from time to time. The selection of candidates is based on a range of measurable objectives, including but not limited to gender, age, ethnicity, cultural and educational background, professional experience, qualification, skills, knowledge and other factors. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

董事會知悉獨立非執行董事之其他責任，並信納該等責任與彼等擔任本公司董事之職責並無衝突。本公司已接獲各獨立非執行董事就其獨立性根據上市規則第3.13條規定發出之年度確認書。根據該等確認書，本公司認為各獨立非執行董事均為獨立人士。

守則第C.2.7段規定主席須至少每年與獨立非執行董事舉行一次沒有執行董事及非執行董事出席的會議。儘管截至二零二一年十二月三十一日止年度主席並無與獨立非執行董事舉行沒有執行董事及非執行董事出席的會議，惟主席授權公司秘書收集獨立非執行董事可能存有之任何疑慮及／或問題並向其匯報，以便於適當時候召開跟進會議（如有必要）。

委任獨立非執行董事之條款及條件於本公司之註冊辦事處可供查閱。

董事會多元化政策

與本集團董事會多元化相關的政策（「**董事會多元化政策**」）載列如何達成董事會多元化的方法，以確保董事會成員在技能、經驗、專長及觀點多元化方面保持平衡，從而提高決策效率，並進一步提升本公司的企業管治水平及表現質素。於釐定董事會及其委員會最佳組成部分時，本公司將考慮多元化的各個方面，且不時計及本公司業務模式及特定需求。候選人的選擇乃基於多個可計量目標，包括但不限於性別、年齡、種族、文化及教育背景、專業經驗、資格、技能、知識及其他因素。所有董事會任命將以任人唯賢為基礎，候選人將按照客觀標準進行考慮，且適當計及董事會多元化的裨益。

Corporate Governance Report

企業管治報告

The Board has a balanced mix of knowledge and skills, including but not limited to business management, finance, audit, investment, civil engineering and macroeconomic adjustment and social development. They obtained degrees in various majors including business administration, accounting, architecture and civil engineering, finance and sociology. The Board Diversity Policy also sets out the Board's commitment to gender diversity and other diversity aspects, with the ultimate goal of achieving gender parity on the Board. The Company currently has one female Director, and the Board will take opportunities to increase the proportion of female members over time as and when selecting and making recommendation on suitable candidates as Directors.

The nomination committee of the Company (the “**Nomination Committee**”) is of the view that the Board has achieved the objectives of the Board Diversity Policy and shall review the Board Diversity Policy and measurable objectives at least annually, and as appropriate, to ensure its effectiveness. The Nomination Committee will discuss any or necessary amendments on the Board Diversity Policy and propose the amendments to the Board for approval.

The Group also adhered to the diversity concept, including but not limited to the gender perspective, in recruitment of employees. For the financial year, the Group had 14 employees, of which approximately 50% were female. The Company is of the view that the current composition of employees has achieved gender diversity.

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

Each newly appointed Director is provided with an induction package covering the Group's business and the statutory regulatory obligations of a director of a listed company so as to ensure that he/she has appropriate understanding of the business and operation of the Group and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and the relevant regulatory requirements.

Code provision C.1.4 of the CG Code requires that all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. During the year under review, all Directors participated in continuous professional development programmes and provided a record of training they received to the Company.

董事會具有知識及技能的平衡組合，包括但不限於業務管理、金融、審計、投資、土木工程及宏觀經濟調整及社會發展。彼等於多個專業取得學位，包括工商管理、會計、建築及土木工程、金融及社會學。董事會多元化政策亦載列董事會對性別多元化及其他多元化方面的承諾，最終目標為實現董事會的性別平等。本公司目前擁有一名女性董事，且董事會將會於選擇及推薦合適董事候選人時不時增加女性成員比例。

本公司提名委員會（「**提名委員會**」）認為，董事會已達致董事會多元化政策的目標，且須至少每年適時審閱董事會多元化政策及可計量目標，以確保其有效性。提名委員會將討論董事會多元化政策的任何或必要修訂，並向董事會提交修訂以待批准。

於招聘僱員時，本集團亦堅持多元化概念，包括但不限於性別角度。於本財政年度，本集團擁有14名僱員，其中約50%為女性。本公司認為，僱員的當前組成已達致性別多元化。

董事之持續專業發展

每位新委任董事均獲提供一份入職資料，涵蓋本集團業務以及作為上市公司董事在法定及監管規定上所須履行責任之資料，以確保其適當理解本集團之業務及營運，及其充分了解其於上市規則及相關監管規定下之職責及責任。

企管守則守則條文C.1.4規定，所有董事均應參與持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。於回顧年度內，所有董事均已參與持續專業發展課程，並向本公司提供彼等所接受培訓的記錄。

Corporate Governance Report

企業管治報告

The individual training record of each Director for the year ended 31 December 2021 is set out below.

截至二零二一年十二月三十一日止年度，各董事的個別培訓記錄列明如下。

Types of continuous professional development programmes 持續專業發展課程類別

Executive Directors	執行董事	
XU Xiao Jun	徐小俊	B
YE De Chao	業德超	B
JI Xu Dong (Resigned on 12 August 2021)	季旭東 (於二零二一年八月十二日辭任)	B
LU Yi (Appointed on 12 August 2021)	盧翊 (於二零二一年八月十二日獲委任)	B
Independent Non-executive Directors	獨立非執行董事	
HE Jin Geng	何金耿	B
YU Hong Gao	郁紅高	B
CHEN Yang	陳洋	B

A: attending seminars and/or conferences and/or forums

A: 出席研討會及／或討論會及／或講座

B: reading journals, newsletter, seminar materials and updates relating to the latest development of the Listing Rules, other applicable regulatory requirements and directors' duties and responsibilities

B: 閱讀有關上市規則、其他適用監管規定及董事職務及責任之最新發展的報刊、通訊、研討會材料與更新資料

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

主席兼行政總裁

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

企管守則的守則條文C.2.1規定主席及行政總裁之角色應有所區分及不應由同一人士擔任。主席與行政總裁的職責應明確劃分並以書面形式訂明。

Since 31 July 2017, Mr. XU Xiao Jun, the chief executive officer of the Company, was also appointed as the chairman of the Company. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The roles and responsibilities of the chairman and chief executive officer have been set out in writing and have been approved and adopted by the Board. The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by current Board which comprises experienced and high calibre individuals with sufficient number thereof being INEDs.

自二零一七年七月三十一日起，本公司行政總裁徐小俊先生同時獲委任為本公司主席。董事會認為由同一人士擔任主席及行政總裁有助於保證本集團內部領導的貫徹一致，並保證本集團整體策略規劃更有效及高效地進行。主席及行政總裁之角色及職責已書面列載，並獲得董事會通過及採納。董事會認為現時安排的權力及授權平衡將不會受到削弱及能夠得到現任董事會（其由經驗豐富及高素質的人士組成，並具有足夠數目的獨立非執行董事）的充分保證。

Corporate Governance Report

企業管治報告

DELEGATION BY THE BOARD

The Board, headed by the chairman of the Company, reserves for its decision all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. The Board regularly reviews and ensures that corporate governance principles are in place and at good standard.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

BOARD COMMITTEES

The Board has established internal committees which are of no less compliance requirements than those set out in the CG Code of the Listing Rules, namely, remuneration committee, nomination committee, audit committee and corporate governance committee of the Company. To further reinforce independence, these four committees are structured to include a majority of independent non-executive Directors.

REMUNERATION COMMITTEE

As at 31 December 2021, the remuneration committee of the Company (the “**Remuneration Committee**”) was chaired by Mr. YU Hong Gao, an independent non-executive Director with other committee members comprising two other INEDs, namely Mr. HE Jin Geng and Ms. CHEN Yang and one executive Director, namely Mr. XU Xiao Jun. The Remuneration Committee comprises a majority of INEDs that brings an independent and objective view to the remuneration packages of the executive Directors and senior management of the Company to provide a significant degree of protection to the shareholders. No director involved in deciding his/her own remuneration.

董事會授權

董事會乃由本公司主席帶領，保留於本公司所有主要事項之決策權，包括：批准及監察所有政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易（特別是可能涉及利益衝突之交易）、財務資料、委任董事以及其他重大財務及營運事宜。董事會定期檢討並確保已設立企業管治原則及維持良好標準。

本集團之日常管理、行政及營運已授予高級管理層負責。授權職能及職責由董事會定期檢討。管理層訂立任何重大交易前須取得董事會之批准。

董事會委員會

董事會已成立內部委員會（其遵守規定不比上市規則之企管守則所載之規定寬鬆），分別為本公司薪酬委員會、提名委員會、審核委員會及企業管治委員會。為進一步加強獨立性，該四個委員會之成員大部分為獨立非執行董事。

薪酬委員會

於二零二一年十二月三十一日，本公司薪酬委員會（「**薪酬委員會**」）之主席為獨立非執行董事郁紅高先生，其他委員會成員包括其他兩名獨立非執行董事（即何金耿先生及陳洋女士）及一名執行董事（即徐小俊先生）。薪酬委員會之大部分成員由獨立非執行董事擔任，薪酬委員會為本公司執行董事及高級管理層之薪酬待遇提供獨立及客觀之意見，以為股東提供較大程度之保障。概無董事參與釐定彼本身之薪酬。

Corporate Governance Report

企業管治報告

During the financial year, the Remuneration Committee reviewed the remuneration packages of the Directors and the senior management of the Company, including discretionary bonus, which were based on individual performance, skill and knowledge, involvement in the Group's affairs and performance and profitability of the Group.

The Remuneration Committee determines the specific remuneration packages of individual executive Directors and senior management of the Company, including benefits in kind, pension rights and compensation payments; and makes recommendations to the Board on the remuneration of non-executive Directors. The responsibilities of the Remuneration Committee are described in the terms of reference adopted. Details of the remunerations of the Directors are shown on pages 176 to 178 of this annual report. The Remuneration Committee had met once during the financial year and the attendance of individual member is recorded as below.

Attendance Record of Remuneration Committee Meeting (1 January 2021 – 31 December 2021)

於本財政年度內，薪酬委員會已根據個人表現、技能及知識、對本集團事務之參與程度、本集團之表現及盈利能力，審核本公司董事及高級管理層之薪酬待遇，包括酌情花紅。

薪酬委員會釐定本公司個別執行董事及高級管理層的特定薪酬待遇（包括非金錢利益、退休金權利及賠償金額）；以及就非執行董事的薪酬向董事會提出建議。薪酬委員會之責任載述於所採納之職權範圍內。董事薪酬詳情載於本年報第176至178頁。薪酬委員會於本財政年度內舉行了一次會議，個別成員之出席記錄載於下文。

薪酬委員會會議之出席記錄（二零二一年一月一日至二零二一年十二月三十一日）

		Attendance 出席次數	Attendance Rate 出席率
Number of Remuneration Committee meeting	薪酬委員會會議次數	1	
Members	成員		
<i>Independent Non-executive Directors</i>	<i>獨立非執行董事</i>		
YU Hong Gao (Chairman)	郁紅高 (主席)	1/1	100%
HE Jin Geng	何金耿	1/1	100%
CHEN Yang	陳洋	1/1	100%
<i>Executive Director</i>	<i>執行董事</i>		
XU Xiao Jun	徐小俊	1/1	100%

NOMINATION COMMITTEE

As at 31 December 2021, the members of the nomination committee of the Company (the “**Nomination Committee**”) included three INEDs, namely Mr. HE Jin Geng, Mr. YU Hong Gao and Ms. CHEN Yang with Mr. XU Xiao Jun, an executive Director, as the Committee Chairman.

The Nomination Committee is responsible for making recommendations to the Board for its approval on the appointment of the Directors, evaluation of board composition and the management of board succession with reference to various aspects as well as factors concerning board diversity as set out in the Company's board diversity policy, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee carries out the process of selecting and recommending candidates for directorship including the consideration of referrals and engagement of external recruitment professionals when necessary. The chairman of the Nomination Committee, in consultation with the person responsible for human resources and the secretary of the Nomination Committee, should be primarily responsible for drawing up and approving the agenda for each Nomination Committee meeting. Potential candidates are then considered at the Nomination Committee meetings based on their experience, professional qualifications, independence and their expected remuneration packages to complement the corporate strategy and achieve board diversity, where appropriate, before making recommendation to the Board. The Nomination Committee held one meeting during the financial year and the attendance of individual member is recorded as below.

提名委員會

於二零二一年十二月三十一日，本公司提名委員會（「**提名委員會**」）之成員包括三名獨立非執行董事（即何金耿先生、郁紅高先生及陳洋女士），而執行董事徐小俊先生則為委員會主席。

提名委員會負責就董事會批准董事之委任、評估董事會之組成及董事會成員繼任管理，參照本公司的董事會多元化政策所載有關董事會多元化的各方面及因素，包括但不限於性別、年齡、文化和教育背景、種族、專業經驗、技能、知識和服務年資。最終決定將以選定的候選人將對董事會帶來有關的功績和貢獻為基礎。

提名委員會進行挑選及推薦董事人選之程序，包括考慮被推薦人選及在有需要時委聘外界招聘專才。提名委員會主席向負責人力資源之人員及提名委員會秘書諮詢意見後，主要負責訂立及批准每次提名委員會會議之議程。其後，各成員於提名委員會會議上向董事會提出建議前將根據潛在候選人之經驗、專業資格、獨立性及彼等所預期之薪酬待遇對有關潛在候選人作出考慮，以配合企業策略及達致董事會多元化（如適用）。提名委員會於本財政年度內舉行了1次會議，個別成員之出席記錄載於下文。

Corporate Governance Report

企業管治報告

Attendance Record of Nomination Committee Meetings (1 January 2021 – 31 December 2021)

提名委員會會議之出席記錄(二零二一年一月一日至二零二一年十二月三十一日)

		Attendance	Attendance
		出席次數	出席率
Number of Nomination Committee meetings	提名委員會會議次數	1	
Members	成員		
<i>Independent Non-executive Directors</i>	<i>獨立非執行董事</i>		
HE Jin Geng	何金耿	1/1	100%
YU Hong Gao	郁紅高	1/1	100%
CHEN Yang	陳洋	1/1	100%
<i>Executive Director</i>	<i>執行董事</i>		
XU Xiao Jun (Chairman)	徐小俊(主席)	1/1	100%

The Nomination Committee completed the following work in 2021:

提名委員會於二零二一年完成了以下工作：

- | | |
|--|---|
| <p>(1) Reviewed the structure, size, composition and diversity of the Board;</p> <p>(2) Made recommendations to the Board on the re-election of directors retiring at the annual general meeting of the Company held on 25 June 2021; and</p> <p>(3) Assessed the independence of all the INEDs.</p> | <p>(1) 檢討董事會的結構、規模、組成及多元性；</p> <p>(2) 就重選於二零二一年六月二十五日舉行之本公司股東週年大會上輪值告退之董事向董事會提供建議；及</p> <p>(3) 評估全體獨立非執行董事之獨立性。</p> |
|--|---|

NOMINATION POLICY

The Board has adopted a nomination policy (the “**Nomination Policy**”) which sets out the selection criteria and nomination procedures to identify, select and recommend candidates for Directors. The Nomination Policy aims to set out the approach to enable the Nomination Committee to nominate a Director to the Board.

SELECTION CRITERIA

The Nomination Committee shall consider the following selection criteria and such other factors that it may consider appropriate for a position on the Board:

- a) **Attributes Complementary to the Board:** The candidate should possess attributes that complement and expand the skill set, experience and expertise of the Board as a whole, having regard to the current structure, size, diversity profile and skills matrix of the Board and the needs of the Board.
- b) **Business Experience & Board Expertise and Skills:** The candidate should have the ability to exercise sound business judgment and also possess proven achievement and experience in directorship including effective oversight of and guidance to management.
- c) **Commitment:** The candidate should have sufficient time for the proper discharge of the duties of a Director, including devoting adequate time for the preparation and participation in meetings, training and other Board or Company associated activities.
- d) **Motivation:** The candidate should be self-motivated and have a strong interest in the Company's businesses.
- e) **Integrity:** The candidate should be a person of integrity, honesty, good repute and high professional standing
- f) **Independence:** INED candidates must satisfy the independence requirements under the Listing Rules. The INED candidate shall be independent in character and judgement and be able to represent and act in the best interests of all shareholders of the Company.

提名政策

董事會已採納一項提名政策（「**提名政策**」），當中載列物色、甄選及推薦董事候選人的甄選標準及提名程序。提名政策旨在規定提名委員會提名董事加入董事會的方法。

甄選標準

提名委員會應考慮以下甄選標準及其可能認為適合董事會職位的相關其他因素：

- a) **與董事會相輔相成：**考慮到董事會現有架構、規模、多元化及技能矩陣以及董事會需求，候選人應具備可補充及擴展董事會整體技能、經驗及專長的特質。
- b) **業務經驗及董事會專長與技能：**候選人應有能力作出正確的商業判斷，並於董事職務方面擁有備受認可的成就及經驗，包括對管理層的有效監督及指引。
- c) **投入時間：**候選人應有充足的時間適當履行董事職責，包括投入足夠的時間籌備及參加會議、培訓及其他董事會或本公司相關活動。
- d) **積極性：**候選人應積極主動，對於本公司業務有濃厚興趣。
- e) **誠信：**候選人應為誠信、誠實、聲譽良好及高度專業的個人。
- f) **獨立性：**獨立非執行董事候選人須符合上市規則的獨立性規定。獨立非執行董事候選人應具備獨立性及判斷力，並能代表本公司全體股東的最佳利益行事。

Corporate Governance Report

企業管治報告

NOMINATION PROCEDURES

Appointment of New and Replacement Directors

The Nomination Committee, from time to time, identifies, assesses, selects and nominates suitable director candidates to the Board for it to consider for appointment. In the determination of the suitability of a candidate, the Nomination Committee considers the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, expertise, independence, age, culture, ethnicity and gender diversity, and in particular considers whether and how the candidate's attributes may be complementary to the Board as a whole, and the candidate's commitment, motivation, integrity and such other factors that it may consider appropriate for a position on the Board. The Board takes into consideration the benefits of a diversified Board when selecting Board candidates and will consider and approve the appointment, if appropriate, based on the recommendation of the Nomination Committee.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") reviews the Company's financial reports, internal controls and corporate governance issues, appointment of external auditors and review their independency and makes relevant recommendations to the Board. The written terms of reference which describes the authority and duties of the Audit Committee has been prepared and adopted with reference to "A Guide for The Formation of An Audit Committee" and "A Guide for Effective Audit Committee" published by the Hong Kong Institute of Certified Public Accountants, and amended in accordance with the CG Code.

As at 31 December 2021, all the committee members were INEDs and one of whom possesses appropriate professional qualifications, accounting or related financial management expertise. The chairman of the Audit Committee, Mr. HE Jin Geng, is a qualified accountant and has the relevant financial experience. Other members were Mr. YU Hong Gao and Ms. CHEN Yang. None of the Audit Committee members were members of the former or existing auditors of the Company.

提名程序

委任新董事及更換董事

提名委員會不時物色、評估、甄選及提名合適的董事候選人，供董事會考慮委任。於釐定候選人的適當性時，提名委員會從多個方面考慮候選人能為董事會帶來的潛在貢獻，包括資質、技能、經驗、專長、獨立性、年齡、文化、種族及性別多元化，並具體考慮候選人的特質是否及如何與董事會整體相輔相成以及候選人的投入時間、積極性、誠信及其可能認為適用於董事會職位的相關其他因素。董事會於甄選董事會候選人時考慮董事會多元化的利益，並將根據提名委員會的推薦意見審議及批准委任（倘適用）。

審核委員會

本公司審核委員會（「審核委員會」）審閱本公司之財務報告、內部監控及企業管治問題、外聘核數師委任及其獨立性並向董事會提出相關推薦建議。書面職權範圍列明審核委員會之權力與職責，乃參照香港會計師公會頒佈之《成立審核委員會指引》及《審核委員會有效運作指引》而編製及採納，並根據企管守則作出修訂。

於二零二一年十二月三十一日，所有委員會成員均為獨立非執行董事，其中一位具備適當專業資格、會計或相關財務管理之專業知識。審核委員會主席何金耿先生為合資格會計師及具備相關財務經驗。其他成員分別為郁紅高先生及陳洋女士。並無審核委員會成員為本公司前任或現任核數師成員。

Corporate Governance Report

企業管治報告

The Audit Committee held two meetings during the financial year and the attendance of individual member is recorded as below. During the meetings, the Audit Committee reviewed the accounting principles and practices adopted by the Group, the interim and annual reports of the Group and discussed with the external auditors on auditing, internal control and financial reporting matters.

Attendance Record of Audit Committee Meetings (1 January 2021 – 31 December 2021)

審核委員會於本財政年度內舉行了兩次會議，個別成員之出席記錄載於下文。會上，審核委員會已審閱本集團所採納之會計原則及常規以及本集團之中期報告及年報，並與外聘核數師商討審核、內部監控及財務報告事宜。

審核委員會會議之出席記錄（二零二一年一月一日至二零二一年十二月三十一日）

		Attendance 出席次數	Attendance Rate 出席率
Number of Audit Committee meetings	審核委員會會議次數	2	
Members	成員		
<i>Independent Non-executive Directors</i>	獨立非執行董事		
HE Jin Geng (Chairman)	何金耿 (主席)	2/2	100%
YU Hong Gao	郁紅高	2/2	100%
CHEN Yang	陳洋	2/2	100%

CORPORATE GOVERNANCE COMMITTEE

As at 31 December 2021, the corporate governance committee of the Company (the “**Corporate Governance Committee**”) consisted of four members, namely Mr. HE Jin Geng, Mr. YU Hong Gao and Ms. CHEN Yang, all being INEDs and Mr. XU Xiao Jun, being an executive Director. Mr. XU Xiao Jun was the chairman of the Corporate Governance Committee.

The Corporate Governance Committee is responsible for, including but not limited to, developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board, reviewing and monitoring the training and continuous professional development of the Directors and senior management of the Company, reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, developing, reviewing and monitoring the code of conduct applicable to the employees and the Directors of the Company, and reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

企業管治委員會

於二零二一年十二月三十一日，本公司企業管治委員會（「企業管治委員會」）由四名成員組成，包括獨立非執行董事何金耿先生、郁紅高先生及陳洋女士，以及執行董事徐小俊先生。徐小俊先生為企業管治委員會主席。

企業管治委員會之職責包括但不限於制訂及檢討本公司的企業管治政策和常規，並向董事會提出推薦建議，檢討及監察本公司董事及高級管理層的培訓及持續專業發展，檢討及監察本公司在遵守法律及監管規定方面的政策及常規，制訂、檢討及監察適用於本公司僱員及董事的操守準則，以及檢討本公司遵守企管守則的情況及在企業管治報告內的披露。

Corporate Governance Report

企業管治報告

The chairman of the Corporate Governance Committee should be primarily responsible for drawing up and approving the agenda for each Corporate Governance Committee meeting and ensure that all members of the Corporate Governance Committee should have sufficient information in a timely manner to enable effective discussion at the Corporate Governance Committee meeting. The chairman should also brief all members on issues arising at each Corporate Governance Committee meeting. The Corporate Governance Committee held one meeting during the financial year and the attendance of individual member is recorded as below. During the meeting, the Corporate Governance Committee reviewed the training and continuous professional development of the Directors and senior management of the Company, the Company's policies and practices on compliance with legal and regulatory requirements and the Company's compliance with the CG Code and disclosure in the Corporate Governance Report of this annual report.

企業管治委員會主席的主要責任是訂立及批准每次企業管治委員會會議的議程及確保所有企業管治委員會成員及時收到足夠資料，以便在企業管治委員會會議上進行有效討論。主席亦須向所有成員簡報每次企業管治委員會會議提出的事項。企業管治委員會於本財政年度內舉行了一次會議，個別成員之出席記錄載於下文。會上，企業管治委員會已檢討本公司董事及高級管理層的培訓及持續專業發展、本公司在遵守法律及監管規定方面的政策及常規、以及本公司遵守企管守則的情況及在本年報的企業管治報告內的披露。

Attendance Record of Corporate Governance Committee Meetings (1 January 2021 – 31 December 2021)

企業管治委員會會議之出席記錄（二零二一年一月一日至二零二一年十二月三十一日）

		Attendance 出席次數	Attendance Rate 出席率
Number of Corporate Governance Committee meetings	企業管治委員會會議次數	1	
Members	成員		
<i>Independent Non-executive Directors</i>	獨立非執行董事		
HE Jin Geng	何金耿	1/1	100%
YU Hong Gao	郁紅高	1/1	100%
CHEN Yang	陳洋	1/1	100%
<i>Executive Director</i>	執行董事		
XU Xiao Jun (Chairman)	徐小俊 (主席)	1/1	100%

Corporate Governance Report

企業管治報告

AUDITOR'S REMUNERATION

During the year ended 31 December 2021, the audit fees and non-audit fees paid/payable to the external auditors of the Group were as follow:

		2021 二零二一年 HK\$ 港元	2020 二零二零年 HK\$ 港元
Audit services	審核服務		
HLB Hodgson Impey Cheng Limited	國衛會計師事務所有限公司	820,000	1,000,000
Asian Alliance (HK) CPA Limited	華融(香港)會計師事務所有限公司	950,000	—
Non-audit services	非審核服務	Nil 無	Nil 無

DIVIDEND POLICY

The Company has adopted a dividend policy (the “**Dividend Policy**”) on payment of dividends. Provided that the Group has distributable profits and without affecting the operations of the Group, the Company may consider to declare and pay dividends to the shareholders of the Company (the “**Shareholders**”). In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, included but not limited to: (i) the general financial condition of the Group; (ii) the expected working capital requirements and debt level of the Group; (iii) the actual and future operations and liquidity position; (iv) the expectations of the Shareholders and investors and industry practices; (v) any restrictions on payment of dividends that may be imposed by the Group’s lenders; (vi) the general market conditions; and (vii) any other factors that the Board deems appropriate.

The payment of the dividend by the Company is also subject to any restrictions under the Companies Law of the Cayman Islands and the memorandum and articles of association of the Company. The Dividend Policy will continue to be reviewed by the Board from time to time and there can be no assurance that a dividend will be proposed or declared in any particular amount for any specific period.

核數師薪酬

截至二零二一年十二月三十一日止年度，已付／應付本集團外聘核數師之審核費用及非審核費用如下：

		2021 二零二一年 HK\$ 港元	2020 二零二零年 HK\$ 港元
Audit services	審核服務		
HLB Hodgson Impey Cheng Limited	國衛會計師事務所有限公司	820,000	1,000,000
Asian Alliance (HK) CPA Limited	華融(香港)會計師事務所有限公司	950,000	—
Non-audit services	非審核服務	Nil 無	Nil 無

股息政策

本公司就派發股息已採納一項股息政策（「**股息政策**」）。倘本集團錄得可供分派溢利及不影響本集團之正常營運的情況之下，本公司可考慮向本公司股東（「**股東**」）宣派及派付股息。於決定是否建議派發股息及釐定股息金額時，董事會須考慮包括但不限於：(i)本集團的一般財務狀況；(ii)本集團之預期營運資金需求及債務狀況；(iii)本集團實際和未來營運及流動資金狀況；(iv)股東及投資者的期望及行業的常規；(v)本集團的貸方可能對派付股息實施的任何限制；(vi)一般市況；及(vii)董事會認為適當的任何其它因素。

本公司派付股息亦須遵守開曼群島公司法及本公司組織章程細則規定下的任何限制。董事會將持續不時檢討股息政策，惟未能保證將於任何指定期間建議或派付任何特定金額之股息。

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors aim to present the consolidated financial statements of the Group in accordance with the statutory requirements and applicable accounting standards. The Directors acknowledge their responsibilities to ensure the publication of consolidated financial statements of the Group in a timely manner.

The consolidated financial statements of the Group for the year ended 31 December 2021 have been reviewed by the Audit Committee and audited by Asian Alliance (HK) CPA Limited, being the external auditors.

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group and presenting a balanced, clear and comprehensive assessment of the Group's performance and prospects. In preparing the consolidated financial statements of the Group for the year ended 31 December 2021, the Directors have adopted suitable accounting policies, have made prudent and reasonable judgments, and have prepared the consolidated financial statements on a going concern basis. The Statement of the Auditors about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report.

GOING CONCERN AND LIQUIDITIES

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group and presenting a balanced, clear and comprehensive assessment of the Group's performance and prospects. The Directors are aware of the reported loss attributable to the owners of the Company of approximately HK\$581,677,000 for the year ended 31 December 2021 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$173,265,000 and the Group had net liabilities of approximately HK\$142,340,000, in which interest-bearing borrowing and the respective interest payable and redemption premium amounted to approximately HK\$115,000,000 and HK\$195,414,000 respectively, while its cash and cash equivalents only amounted to approximately HK\$1,862,000. In additions, due to an array of epidemic prevention measures including lockdown measures implemented by the PRC government due to the COVID-19, the business operation of the Group was inevitably affected. These conditions indicate the existence of material uncertainties which may cast significant doubt the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

董事就綜合財務報表承擔之責任

董事旨在根據法定要求及適用會計準則呈列本集團之綜合財務報表。董事知曉其確保按時刊發本集團之綜合財務報表的責任。

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表已由審核委員會審閱及由外聘核數師華融(香港)會計師事務所有限公司審核。

董事確認編製本集團之綜合財務報表及呈列本集團表現及前景之平衡、清晰及完備之評估之責任。於編製本集團截至二零二一年十二月三十一日止年度的綜合財務報表時，董事已採納適當的會計政策，已作出審慎合理的判斷，並持續編製綜合財務報表。核數師就其於綜合財務報表之申報責任作出之聲明乃載於獨立核數師報告。

持續經營及流動資金

董事確認編製本集團之綜合財務報表及呈列本集團表現及前景之平衡、清晰及完備之評估之責任。董事知悉，已呈報的截至二零二一年十二月三十一日止年度之本公司擁有人應佔虧損約581,677,000港元，截至該日，本集團的流動負債超出流動資產約173,265,000港元及本集團負債淨額約142,340,000港元，其中計息借款以及相關應付利息及償還溢價分別約為115,000,000港元及195,414,000港元，而其現金及現金等值物僅為約1,862,000港元。此外，由於中國政府因COVID-19疫情採取的封鎖措施等一系列疫情防控措施，本集團的業務營運不可避免地受到影響。該等狀況表明存在可能對本集團持續經營能力產生重大疑慮的重大不確定性，因此，本集團未必能於日常業務過程中變現資產及履行責任。

Corporate Governance Report

企業管治報告

MANAGEMENT'S AND AUDIT COMMITTEE'S VIEWS ON THE INDEPENDENT AUDITOR'S REPORT

The Directors have given careful consideration to future liquidity and performance of the Group and its available sources. The Directors have taken and are taking certain measures to manage its liquidity needs and to improve its financial position which include but are not limited to:

(i) Developing existing business

The Group's existing business is operating as usual and the Company is using its best endeavours to improve the Group's operating results and cash flow by focusing on the existing business of the Group and will expand the existing business internationally.

(ii) Exploring business opportunities

In addition to development of the existing business, the Company will also explore different business opportunities in order to increase cash inflow of the Group to improve the financial position of the Company.

(iii) Repaying outstanding liabilities and collecting account receivables

The Company is actively negotiating with relevant parties and will use its best endeavor to repay the outstanding liabilities. Additionally, the Company is actively collecting its account receivables from relevant parties to improve the financial position of the Group.

(iv) Enforcing cost-saving measures

The Company will use its best endeavours to minimise its expenses including but not limited to administrative expenses as well as operating costs.

管理層及審核委員會有關獨立核數師報告的意見

董事已審慎考慮本集團未來的流動資金及表現及其可用資金來源。董事已經並正在採取若干措施管理流動資金需求及改善財務狀況，該等措施包括但不限於：

(i) 發展現有業務

本集團現有業務照常運營，且本公司通過專注於本集團現有業務來以盡最大努力提高本集團經營業績及現金流量，並將在國際上拓展現有業務。

(ii) 探索商業機遇

除發展現有業務外，本公司還將探索各種商業機遇，以增加本集團的現金流入，從而改善本公司的財務狀況。

(iii) 償還未償債務及收回應收賬款

本公司正積極與相關方磋商，並將竭力償還未償債務。此外，本公司正積極收回應收相關方賬款，從而改善本集團的財務狀況。

(iv) 實施成本節約措施

本公司將竭力減少開支，包括但不限於行政開支及經營成本。

Corporate Governance Report

企業管治報告

(v) Loan capitalisation

The Company is in negotiation with the creditor(s) of the Group in relation to potential capitalisation of the debt. It will not only reduce the debt but will also increase the shareholder base of the Company.

(vi) Potential fund-raising activities

The Group is actively seeking opportunities for fund-raising such as rights issue, placing of new Shares, issue of new Shares and/or convertible bonds, depending on the prevailing market conditions and the development of the Group's businesses.

Provided that the above measures are successfully implemented and improve the financial position of the Group, the Directors believe that the Group will have sufficient cash resources to satisfy its future working capital and other financial needs. Accordingly, the consolidated financial statements for the year ended 31 December 2021 have been prepared on a going concern basis.

The Audit Committee has reviewed the view of and assessment made by the management and based on the detailed plans of the Directors in addressing the going concern and liquidity issue of the Group, the Audit Committee agreed with the management's position concerning the going concern and liquidity issue.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is overall responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group established and maintained appropriate and effective risk management and internal control systems.

(v) 貸款資本化

本公司正就潛在債務資本化與本集團的債權人進行磋商。此舉不僅能減少債務，還能鞏固本公司的股東基礎。

(vi) 潛在籌資活動

本集團正積極尋求籌資機會，如供股、配售新股、發行新股及／或可換股債券，具體取決於當前市況及本集團業務的發展情況。

倘上述措施成功實施並改善本集團的財務狀況，董事相信本集團將有充足現金資源可滿足未來營運資金及其他財務需求。因此，截至二零二一年十二月三十一日止年度的綜合財務報表乃以持續經營基準編製。

審核委員會已審閱管理層的意見及其所作評估，且根據董事在處理本集團持續經營及流動資金問題方面的詳細計劃，審核委員會同意管理層有關持續經營及流動資金問題的立場。

風險管理及內部監控

董事會全面負責評估及決定在達成本集團策略目標過程中所願意承擔的風險性質及程度，並確保本集團建立及維持恰當有效的風險管理及內部監控系統。

Corporate Governance Report

企業管治報告

The Board has reviewed the following annually: (a) the changes, since the last annual review, in the nature and extent of significant risks (including ESG risks), and the Company's ability to respond to changes in its business and the external environment; (b) the scope and quality of the management's ongoing monitoring of risks (including ESG risks) and of the internal control systems and the work of internal audit; (c) the extent and frequency of report by the management of monitoring results to the Board (or board committee(s)) which enables it to assess control of the Group and the effectiveness of risk management; (d) significant control failings or weaknesses that have been identified during the period. Also, the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the company's financial performance or condition; and (e) the effectiveness of the processes for financial reporting and Listing Rules compliance.

The Audit Committee reviews the risk management and internal controls that are significant to the Group on an on-going basis. The Audit Committee would consider the adequacy of resource, qualifications and experience and training of staff and external advisor of the Group's accounting, internal audit and financial reporting function.

The management of the Group is responsible for designing, maintaining, implementing and monitoring of the risk management and internal control system on a on-going basis, and would review the effectiveness annually to ensure adequate control in place to safeguard the Group's assets and stakeholder's interest. The main features of the risk management and internal control systems are to provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations.

The Group has established risk management procedures to identify, evaluate and manage all the significant risks associated with the business of the Group. The Board would perform annual review on any significant change of the business environment and establish procedures to respond to the risks resulted from significant change of business environment. The risk management and internal control systems are designed to mitigate the potential losses of the business.

董事會每年檢討以下內容：(a)自上次年度檢討以來，重大風險（包括ESG風險）的性質及程度發生了哪些變化，以及本公司應對業務及外部環境變化的能力；(b)管理層持續監察風險（包括ESG風險）、內部監控系統及內部審核工作的範圍及質素；(c)管理層向董事會（或董事會委員會）報告監測結果的程度及頻率，以使其能夠評估本集團的控制及風險管理的有效性；(d)在該期間查明的重大控制失誤或弱點。此外，他們在多大程度上導致了不可預見的結果或突發事件，此等結果或突發事件已經、可能或可能在未來對本公司的財務業績或狀況產生重大影響；及(e)財務報告及遵守上市規則的流的有效性。

審核委員會持續檢討對本集團持續經營尤為重要的風險管理及內部監控。審核委員會將考慮本集團會計、內部審計及財務申報職能部門的資源、員工資質、經驗及培訓以及外聘顧問的充足性。

本集團管理層負責設計、維持、執行及持續監督風險管理及內部監控系統，並將每年審閱其有效性以確保有充足的監控措施保障本集團資產及權益持有人的權益。本集團的風險管理及內部監控系統的主要特點是以清晰的治理架構、政策及程序以及匯報機制，促進本集團管理各業務範疇的風險。

本集團已建立風險管理程序以辨認、評估及管理與本集團業務有關的一切重大風險。董事會將對業務環境的任何重大變化進行年度審計，並建立程序應對業務環境之重大變化帶來的風險。風險管理及內部監控系統乃為降低業務之潛在損失而設計。

Corporate Governance Report

企業管治報告

The management would identify the risks associated with the business of the Group by considering both internal and external factors and events which include political, economic, technology, environmental, social and staff. Each of the risks has been assessed and prioritised based on their relevant impact and occurrence opportunity. The relevant risk management strategy would be applied to each type of risks according to the assessment results. Type of risk management strategy has been listed as follow:

- Risk retention and reduction: accept the impact of risk or undertake actions by the Group to reduce the impact of the risks;
- Risk avoidance: change business process or objective so as to avoid the risk;
- Risk sharing and diversification: diversify the effect of the risk or allocate to different location or product or market; and
- Risk transfer: transfer ownership and liability to a third party

The internal control systems are designed and implemented to reduce the risks associated with the business accepted by the Group and minimise the adverse impact results from the risks. The risk management and internal control system are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

In addition, the Audit Committee in ongoing monitoring of the risk management and internal control systems of the Group. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Board on a timely basis to ensure prompt remediation actions are taken.

The Board considered that, for the year ended 31 December 2021, the risk management and internal control system and procedures of the Group, covering all material controls including financial, operational and compliance controls and risk management functions were reasonably effective and adequate.

管理層將考慮包括政治、經濟、科技、環境、社會及員工在內的內部及外部因素以及事件，以識別與本集團業務有關的風險。我們將根據各項風險的影響及其發生機率評估有關風險並決定優先應對次序。有關風險管理策略將根據評估結果應用至每種類型風險。風險管理策略可分為以下類型：

- 風險自留及降低風險：接受風險的影響或本集團採取措施降低風險的影響；
- 規避風險：改變業務流程或目標以規避風險；
- 分擔及分散風險：分散有關風險的影響或將其分攤至不同地區、產品或市場；及
- 轉移風險：將所有權及責任轉移至第三方

內部監控系統之設計及實施目的乃為降低本集團承擔的業務相關風險，以及盡可能降低有關風險帶來的不利影響。風險管理及內部監控系統的設計乃為管理而非消除無法達成業務目標的風險，且僅可提供合理而非絕對保證不會出現嚴重誤報或損失。

此外，審核委員會持續監督本集團的風險管理及內部監控系統，識別內部控制設計及運行中的缺陷並提出改進推薦意見。如發現嚴重的內部監控缺陷，會及時向董事會匯報，確保立即採取補救措施。

董事會認為，截至二零二一年十二月三十一日止年度，本集團的風險管理以及內部監控系統及程序涵蓋所有重大監控，包括財務、營運及合規監控及風險管理職能已屬合理有效及充分。

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

For the purpose of handling and disseminating inside information in accordance with the Listing Rules and the Securities and Futures Ordinance (the “SFO”) (Cap 571 of the Laws of Hong Kong), the Group has aroused the awareness to preserve confidentiality of inside information within the Group and send blackout period and securities dealing restrictions notification to the relevant directors and employees on a regular basis as needed, strictly comply with the “Guidelines on Disclosure of Inside Information” issued by the Securities and Futures Commission in June 2012.

WHISTLEBLOWING POLICY

In compliance with code provision D.2.6 of the CG Code, the Board adopted a Whistleblowing Policy. It provides employees and the relevant third parties who deal with the Group (e.g. customers and suppliers) with guidance and reporting channels to raise concerns, in confidence and anonymity, with the audit committee (or any designated committee comprising a majority of independent non-executive directors) about possible improprieties in any matter related to the Company. All reported matters will be investigated independently and, in the meantime, all information received from a whistleblower and its identity will be kept confidential. The Board and the Audit Committee will regularly review the Whistleblowing Policy and mechanism to improve its effectiveness.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

In compliance with the code provision D.2.7 of the CG Code, the Board adopted an Anti-Bribery and Anti-Corruption Policy. It outlines guidelines and the minimum standards of conducts, all applicable laws and regulations in relation to anti-corruption and anti-bribery, the responsibilities of employees to resist fraud, to help the Group defend against corrupt practices and to report any reasonably suspected case of fraud and corruption or any attempts thereof, to the management or through an appropriate reporting channel. The Group would not tolerate any form of bribery and corruption among all employees and those acting in an agency or fiduciary capacity on behalf of the Group, and in its business dealing with third parties.

The Board and the Audit Committee will review the Anti-Bribery and Anti-Corruption Policy and mechanism periodically to ensure its effectiveness and enforce the commitment of the Group to the prevention, deterrence, detection and investigation of all forms of bribery and corruption.

處理及發佈內幕消息

就根據上市規則及證券及期貨條例（「證券及期貨條例」）（香港法例第571章）處理及發佈內幕消息而言，本集團已提高本集團對內幕消息保密的意識及定期向有關董事及僱員發送禁售期及證券交易限制的通知（如需要）以嚴格遵守證券及期貨事務監察委員會於二零一二年六月頒佈的「內幕消息披露指引」

舉報政策

遵照企管守則守則條文D.2.6，董事會採納舉報政策，其向僱員及與本集團有業務往來之相關第三方（如客戶及供應商）提供指引及舉報渠道，以便在保密及匿名的情況下向審核委員會（或由大多數獨立非執行董事組成的任何指定委員會）提出有關與本公司相關的任何事項中可能存在的不當行為的擔憂。所有舉報事項將進行獨立調查，同時所有自舉報人取得之資料及其身份將被保密。董事會及審核委員會將定期檢討舉報政策及機制以提高其成效。

反賄賂和反貪污政策

遵照企管守則的守則條文D.2.7，董事會採納了反賄賂和反貪污政策，其概述指引及最低行為準則、有關反貪污及反賄賂之所有適用法律及法規、僱員抵制詐騙、幫助本集團防範貪污行為及向管理層或透過適當之舉報渠道舉報任何合理懷疑之欺詐及貪污個案或該方面之任何企圖行為之責任。本集團絕不容忍所有僱員及以代理人或信託組織身份代表本集團之人士，及於其與第三方之業務來往之間進行任何形式之貪污受賄。

董事會及審核委員會將定期審閱反賄賂和反貪污政策及機制，以確保其成效，並履行本集團對防止、遏止、偵測及調查所有形式的賄賂及貪污的承諾。

COMPANY SECRETARY

As at 31 December 2021, the company secretary of the Company, Mr. TSO Ping Cheong Brian and Mr. TSUI Siu Hung Raymond, fulfill the requirement under Rules 3.28 and 3.29 of the Listing Rules. During the year ended 31 December 2021, Mr. TSO Ping Cheong Brian and Mr. TSUI Siu Hung Raymond have duly complied with the relevant professional training requirement and have taken no less than 15 hours of relevant professional training to update his skills and knowledge.

SHAREHOLDERS' RIGHTS

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

In accordance with Article 57 of the articles of association of the Company, an extraordinary general meeting shall be convened on the written requisition of any 2 or more members holding at the date of the deposit of the requisition in aggregate not less than 10 per cent of such of the paid up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company. Such requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the office. If the Directors do not within 21 days from the date of the deposit of such requisition proceed duly to convene an extraordinary general meeting, the requisitionists themselves may convene the extraordinary general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene such a meeting shall be reimbursed to them by the Company.

PROCEDURES FOR PUTTING FORWARD ANY SHAREHOLDERS' ENQUIRIES OR PROPOSALS TO THE BOARD

Shareholders may at any time send their enquiries or proposals to the Board/Company Secretary by email: hkoffice@china-infrastructure.com, or by mail to Room 705A, 7/F., New East Ocean Centre, 9 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

公司秘書

於二零二一年十二月三十一日，本公司的公司秘書曹炳昌先生及徐兆鴻先生符合上市規則第3.28條及第3.29條的規定。於截至二零二一年十二月三十一日止年度，曹炳昌先生及徐兆鴻先生已妥為遵守相關專業培訓要求，並已接受不少於十五個小時相關專業培訓以更新其技能及知識。

股東權利

股東召開股東特別大會之程序

根據本公司之組織章程細則第57條，在提呈要求當日持有總共不少於本公司於提呈當日百分之十的繳足股本（附有在本公司股東大會上的表決權）的任何兩名或以上股東書面要求的情況下，須召開股東特別大會。該要求必須指明大會之目的，並須由遞呈要求人士簽署及遞交至辦事處。倘自遞呈該要求日期起21日內，董事未有正式召開股東特別大會，則遞呈要求人士可自行以盡可能接近董事會召開會議的相同方式召開股東特別大會，而遞呈要求人士因董事會未有召開該大會而招致的所有合理開支須由本公司向遞呈要求人士償付。

股東向董事會作出查詢或建議之程序

股東可隨時透過以下方式將其查詢或建議發送給董事會／公司秘書：發電郵至 hkoffice@china-infrastructure.com，或郵寄至香港九龍尖沙咀東科學館道9號新東海商業中心7樓705A室。

股東亦可在本公司之股東大會上向董事會作出查詢。

Corporate Governance Report 企業管治報告

INVESTOR RELATIONS

The Company continues to pursue a proactive policy of promoting corporate transparency and communications with the shareholders, potential investors and investment community mainly through publication of announcements or circulars. The senior management of the Company responsible for investor relations holds meetings with press reporters and potential strategic investors to keep them abreast of the Company's development, if necessary.

During the year under review, there were no changes in the articles of association of the Company (the “**Articles of Association**”). An up to date version of the Articles of Association is available on the Company's website and the Stock Exchange's website. The shareholders may refer to the Articles of Association for further details of their rights.

COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of good communications with all shareholders so that they can exercise their rights as shareholders in an informed basis. Besides distribution of financial reports, the Company has a corporate website to foster effective communications with the shareholders. It is maintained to disseminate Company's announcements and presentations, shareholders' information and other relevant financial and non-financial information.

Another dialogue with shareholders is the Company's general meetings which provide a useful forum for shareholders to exchange their views with the Board. The Company shall provide shareholders with relevant information on the resolution(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable shareholders to make an informed decision on the proposed resolution(s). Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings.

The Company will maintain an open and effective investor communication policy and to update investors on relevant information on the Group's business in a timely manner, subject to relevant regulatory requirements. The Company has reviewed the implementation and effectiveness of the investor communication policy and considered it to be effective.

投資者關係

本公司一直秉承積極主動的政策，主要透過發佈公告或通函提升其企業透明度及加強與股東、潛在投資者及投資界之溝通。負責投資者關係的本公司高級管理層與傳媒報導者及潛在策略投資者舉行會議，使彼等了解本公司之最新發展(如必要)。

在回顧年內，本公司組織章程細則(「**章程細則**」)概無任何變動。章程細則的最新版本可在本公司網站及聯交所網站查閱。股東亦可參考章程細則以取得有關其權利的進一步詳情。

與股東交流

董事會認同與全體股東保持良好交流，以使彼等能以知情方式行使其作為股東之權利之重要性。除發佈財務報告外，本公司設有公司網站，以加強與股東的有效溝通。維持該網站之目的為用於發佈本公司的公佈及簡報、股東資料及其他相關財務及非財務資料。

本公司的股東大會為另一個與股東溝通之方式，同時為股東與董事會交換意見提供一個有用的平台。本公司應按照上市規則的規定及時向股東提供在股東大會上建議的決議案的相關資料，所提供的應是合理需要的資料，以便股東能夠就建議的決議案作出知情決定。本公司鼓勵股東參與股東大會或在未能出席大會時委任代表出席及於會上代其投票。

本公司將維持公開及有效之投資者溝通政策，並在遵守相關監管規定之情況下適時向投資者提供有關本集團業務之最新相關資料。本公司已檢討投資者溝通政策的實施及有效性，認定為有效。

Corporate Governance Report

企業管治報告

The Company held totally 1 general meeting during the financial year and the attendance of individual director is recorded as follows:

於本財政年度內，本公司共舉行一次股東大會，個別董事之出席記錄如下：

Attendance Record of General Meetings (1 January 2021 – 31 December 2021)

股東大會之出席記錄（二零二一年一月一日至二零二一年十二月三十一日）

Annual General Meeting held on 25 June 2021
於二零二一年六月二十五日舉行的股東週年大會

Executive Directors

執行董事

XU Xiao Jun (*Chairman and Chief Executive Officer*)

徐小俊 (主席兼行政總裁)

✓

YE De Chao

業德超

✓

JI Xu Dong

季旭東

✓

Independent Non-executive Directors

獨立非執行董事

HE Jin Geng

何金耿

✓

YU Hong Gao

郁紅高

✓

CHEN Yang

陳洋

✓

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTORS

Mr. LU Yi (“Mr. Lu”), chairman and chief executive officer of the Company, aged 45, has been appointed as an executive Director on 12 August 2021. Mr. Lu has taken up the role as the chairman and chief executive officer of the Company effective from 1 August 2023. Mr. Lu graduated from Hubei University of Technology. Mr. Lu has over 20 years of rich experience in entrepreneurship, mainly in industries such as electronic product manufacturing, mainland China and overseas trade, mineral resources industry (exploration and mining, processing, sales and trade entire industry chain), etc. Mr. Lu founded Glory Grace Group Co., Limited (“**Glory Grace**”), a company incorporated in Hong Kong in 2013. Glory Grace mainly engaged in sales of Petrochemical, trade of electronic parts, optical fiber and photovoltaic products, engineering equipment, automobile production and sales, supply of bulk commodities and exploitation and financing of natural resource industries.

Mr. YE De Chao (“Mr. Ye”), aged 63, joined the Group as an executive Director and chief executive officer of the Company on 17 January 2012. Mr. Ye was appointed as the vice chairman of the Company since 1 August 2012 and was then redesignated as the acting chairman of the Company on 18 January 2013. Mr. Ye has been appointed as the chairman of the company on 28 February 2013. Mr. Ye has resigned as the chief executive officer of the Company but continued to serve as the chairman of the company effective from 9 March 2015. Mr. Ye has resigned as the Chairman of the Company but continued to serve as an executive director of the Company with effect from 31 July 2017. Mr. Ye is also the chairman of 南京泰和盈科置業有限公司 (Nanjing Taihe Yingke Property Company Limited*) which is an associated company of the Company, and the chairman of 南京萬利來房地產開發有限公司 (Nanjing Wanlilai Real Estate Development Company Limited*). Mr. Ye has over 20 years of experiences in business operation and management. Mr. Ye was an electric engineer of 中華人民共和國鐵道部上海鐵路局南京鐵路分局電力技術科 (Electric Technology Department, Nanjing Railway Sub-administration, Shanghai Railway Bureau, The Ministry of Railways of The People’s Republic of China*). He obtained a bachelor’s degree from Southeast University in July 1992 and an EMBA from Cheung Kong Graduate School of Business, Beijing, the PRC, in September 2011. Mr. Ye is a director of certain subsidiaries of the Company.

執行董事

盧翊先生 (「盧先生」)，本公司主席兼行政總裁，45歲，於二零二一年八月十二日獲委任為執行董事。盧先生自二零二三年八月一日起擔任本公司主席兼行政總裁。盧先生畢業於湖北工業大學。盧先生在創業方面擁有逾二十年的豐富經驗，主要創業行業：電子產品製造業、中國大陸及海外貿易行業、礦產資源行業（勘探開採、加工、銷售貿易全產業鏈）等。盧先生創立欣鑫集團有限公司（「欣鑫」，一間於二零一三年於香港註冊成立的公司）。欣鑫主要從事石油化工產品銷售、電子零部件、光纖及光伏產品貿易、工程設備、汽車生產銷售、大宗商品供應及自然資源行業的開採及融資。

業德超先生 (「業先生」)，現年63歲，於二零一二年一月十七日加入本集團擔任本公司執行董事及行政總裁。業先生自二零一二年八月一日起獲委任為本公司副主席，並自二零一三年一月十八日起轉任為本公司代理主席。業先生於二零一三年二月二十八日獲委任為本公司主席。業先生已於二零一五年三月九日辭任本公司行政總裁一職，但仍留任本公司主席。業先生已於二零一七年七月三十一日辭任本公司主席一職，但仍留任本公司執行董事一職。業先生現亦為本公司之聯營公司南京泰和盈科置業有限公司之主席，並為南京萬利來房地產開發有限公司之主席。業先生擁有20餘年的公司經營及管理經驗。業先生曾就職於中華人民共和國鐵道部上海鐵路局南京鐵路分局電力技術科任電力工程師。彼於一九九二年七月獲得東南大學學士學位，並於二零一一年九月畢業於位於中國北京的長江商學院獲EMBA學位。業先生為本公司數間附屬公司之董事。

Directors and Senior Management 董事及高級管理層

Mr. XU Feng (“Mr. Xu”), aged 50, has been appointed as an executive Director of the Company on 18 September 2023. Mr. Xu graduated from Peking University Guanghua School of Management* (北京大學光華管理學院).

Mr. Xu is a member of The China Democratic National Construction Association (CDNCA). He has been served as deputy to the 13th, 14th and 15th National People’s Congress of Qiqihar City, standing member of the 12th Committee of the Chinese People’s Political Consultative Conference (CPPCC) of Qiqihar City, vice chairman of the Ninth Committee of Qiqihar Youth Federation* and the Fifth Youth Chamber of Commerce of Qiqihar City*, member of the Standing Committee of Qiqihar Municipal Committee of the CDNCA. He has been awarded the honorary titles including “Excellent Youth Entrepreneur”, “May Fourth Youth Medal of Qiqihar City” and “Advanced Individual of National Social Work” rated by The CDNCA Central Committee.

Save as disclosed above, no executive Directors of the Company have held any other directorships in listed public companies in the last three years and none of them are connected with any other directors, senior management or substantial or controlling shareholders of the Company.

There is currently no director service contract between the Company and any executive Director. There is no specific term in respect of their respective appointment, but subject to retirement by rotation at least once every three years at the annual general meetings of the Company. The executive Directors are not entitled to director’s fee but will be entitled to discretionary bonus to be decided by the Board based on their contributions, the Company’s annual business performance and the recommendation given by the Remuneration Committee of the Board. Details of directors’ remuneration in 2021 are set out in note 14 to the consolidated financial statements.

徐峰先生（「徐先生」），50歲，於二零二三年九月十八日獲委任為本公司執行董事。徐先生畢業於北京大學光華管理學院。

徐先生為中國民主建國會(CDNCA)會員。彼歷任齊齊哈爾市第十三屆、第十四屆、第十五屆全國人大代表，齊齊哈爾市政協第十二屆委員會常務委員，齊齊哈爾市青年聯合會第九屆委員會副主席、齊齊哈爾市第五屆青年商會副會長，中國民主建國會齊齊哈爾市委員會常務委員。彼曾被民建中央授予包括「優秀青年企業家」、「齊齊哈爾市五四青年獎章」、「全國社會工作先進個人」等榮譽稱號。

除上文披露者外，概無本公司執行董事在過去三年擔任任何其他上市公眾公司董事職務，及彼等與本公司任何其他董事、高級管理層或主要或控股股東並無任何關連。

目前本公司與任何執行董事並無訂立董事服務合約。彼等之委任並無固定任期，惟至少每三年須於本公司股東週年大會上輪值告退一次。執行董事並無權收取董事袍金，惟其有權收取由董事會依據彼等的貢獻、本公司之年度業務表現及董事會下薪酬委員會之推薦建議而釐定之酌情花紅。二零二一年之董事酬金詳情載於綜合財務報表附註14。

Directors and Senior Management

董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. HE Jin Geng (“Mr. He”), aged 54, has been appointed as an independent non-executive Director on 1 August 2012. Mr. He holds a doctorate degree in Politics and Economics from Nanjing University. Mr. He currently serves as the general manager of 南京百奧因大數據科技有限公司 (Nanjing Bai Ao In Big Data Technology Co., Ltd*). He previously served as a director and president of 南京醫藥股份有限公司 (Nanjing Pharmaceutical Co., Ltd*) and as secretary of 浙江省三門縣六敖區團委 (Youth League of Liuaao District of Sanmen County of Zhejiang Province*), and also served different posts in 南京新港高科技股份有限公司 (Nanjing Xin Gang High-Tech Co., Ltd*), including deputy director of the office, secretary of the board of directors and deputy general manager. Mr. He is a fellow member of the Association of Chartered Certified Accountants.

Mr. YU Hong Gao (“Mr. Yu”), aged 61, has been appointed as an independent non-executive Director on 1 August 2012. Mr. Yu graduated from Nanjing University of Science and Technology and holds a doctorate degree. Mr. Yu previously served as deputy general manager of the department of Entrusted Assets Management, general manager of Asset Management Department and general manager of Securities Investment Department of 華泰證券股份有限公司 (Huatai Securities Co., Ltd.*), deputy manager of the Investment Department of 江蘇省財政廳高新技術風險投資公司 (Jiangsu High-Tech Capital Venture Co., Ltd. of the department of Finance of Jiangsu Province*), deputy head of 中信銀行南京分行城西支行 (Chengxi Sub-branch of China Citic Bank Nanjing Branch*), deputy general manager of Securities Investment Head Office and general manager of Assets Management Head Office of 信泰證券股份有限公司 (Xin Tai Securities Co., Ltd.*).

獨立非執行董事

何金耿先生（「何先生」），現年54歲，於二零一二年八月一日獲委任為獨立非執行董事。何先生擁有南京大學政治經濟學博士學歷。何先生現任南京百奧因大數據科技有限公司總經理。彼曾任南京醫藥股份有限公司董事及總裁、浙江省三門縣六敖區團委書記、南京新港高科技股份有限公司辦公室副主任、董事會秘書及副總經理。何先生為英國特許公認會計師公會之資深會員。

郁紅高先生（「郁先生」），現年61歲，於二零一二年八月一日獲委任為獨立非執行董事。郁先生畢業於南京理工大學，擁有博士研究生學歷。郁先生曾任華泰證券股份有限公司受託資產管理部副總經理、資產管理部總經理及證券投資部總經理。彼曾任江蘇省財政廳高新技術風險投資公司投資部副經理、中信銀行南京分行城西支行副行長、信泰證券股份有限公司證券投資總部副總經理及資產管理總部總經理。

Directors and Senior Management 董事及高級管理層

Ms. CHEN Yang (“Ms. Chen”), aged 50, has been appointed as an independent non-executive Director on 5 September 2014. Ms. Chen graduated from Southeast University and holds a master degree. Ms. Chen currently serves as deputy general manager of Nanjing Yulan Road Branch of Dongguan Securities Co., Ltd.* (東莞證券有限責任公司南京玉蘭路證券營業部). She previously served as sales director of Nanjing Hongwu South Road Branch of Dongxing Securities Co., Ltd.* (東興證券股份有限公司南京洪武南路證券營業部), marketing manager of Nanjing Hanzhong Road Branch of Xiangcai Securities Co., Ltd.* (湘財證券股份有限公司南京漢中路證券營業部) and customer relationship manager of Nanjing Pacific South Road Branch of Guotai Junan Securities Co., Ltd.* (國泰君安證券股份有限公司南京太平南路證券營業部).

Save as disclosed above, no independent non-executive Director of the Company has held any other directorships in listed public companies in the last three years or is otherwise connected with any other directors, senior management or substantial or controlling shareholders of the Company.

There is currently no director service contract between the Company and each of the independent non-executive Directors of the Company. There is no specific term in respect of their respective appointment, but subject to retirement by rotation at least once every three years at the annual general meetings of the Company. Mr. He, Mr. Yu and Ms. Chen received director's fee of HK\$120,000, HK\$120,000 and HK\$120,000, respectively, in 2021.

Note: The English translation of the Chinese name(s), where indicated, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).

陳洋女士(「陳女士」)，現年50歲，於二零一四年九月五日獲委任為獨立非執行董事。陳女士畢業於東南大學，擁有碩士學位。陳女士現任東莞證券有限責任公司南京玉蘭路證券營業部副總經理。彼曾任東興證券股份有限公司南京洪武南路證券營業部營銷總監、湘財證券股份有限公司南京漢中路證券營業部市場部經理及國泰君安證券股份有限公司南京太平南路證券營業部客戶主管。

除上文披露者外，概無本公司獨立非執行董事在過去三年擔任任何其他上市公眾公司董事職務，彼等與本公司任何其他董事、高級管理層或主要或控股股東亦無任何關連。

本公司與本公司各獨立非執行董事現時並無訂立董事服務合約。彼等各自之委任並無固定任期，惟至少每三年須於本公司股東週年大會上輪值告退一次。於二零二一年，何先生、郁先生及陳女士收取的董事袍金分別為120,000港元、120,000港元及120,000港元。

DIRECTORS' REPORT

董事會報告

The Directors submit herewith their annual report together with the audited consolidated financial statements for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in property development and investment and natural gas business.

BUSINESS REVIEW

A fair review of the business of the Group during the year and the probable future business development of the Group are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. A discussion and analysis of the Group's performance during the year and the financial key performance indicators is set out in the section headed "Management Discussion and Analysis" of this annual report. The financial risk management objectives and policies of the Group are set out in note 6 to the consolidated financial statements of the Group. In addition, the environmental policies and performance, compliance with relevant laws and regulations and the Group's relationship with its employees are disclosed in the environmental, social and governance report of the Company.

PRINCIPAL RISKS AND UNCERTAINTIES

Business Risks

The Group's business risk factors include changes in the overall market conditions, downward pressure on China's economy and change of government policies in China. The Board is responsible for overall business management and review of major business decisions involving disclosure of significant risks from time to time.

Financial Risks

The Group has adopted a series of financial risk management policies to manage its liquidity risk, credit term allocation risk, financing structure risk, interest rate risk and exchange rate risk. The Board also reviews the Group's management accounts, capital structure and key operational data on a monthly basis.

董事謹此提呈彼等之年度報告，連同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表。

主要業務

本公司為一間投資控股公司。其附屬公司主要從事物業發展及投資以及天然氣業務。

業務回顧

年內本集團業務之中肯審閱及本集團可能之未來業務發展載於本年報的「主席報告」及「管理層討論與分析」章節。有關本集團年內表現之討論及分析以及重要財務表現指標載於本年報的「管理層討論與分析」一節。本集團之財務風險管理目標及政策載於本集團綜合財務報表附註6。此外，環境政策及表現、對相關法律法規的遵守情況以及本集團與其僱員的關係於本公司的環境、社會及管治報告披露。

主要風險及不確定因素

業務風險

本集團的業務風險因素包括整體市場環境的變動、中國經濟的下行壓力以及中國政府政策的變動。董事會負責整體業務管理及檢討重大業務決策，包括不時披露重大風險。

財務風險

本集團已採用一系列財務風險管理政策管理其流動性風險、信貸期分配風險、融資結構風險、利率風險及匯率風險。董事會亦每月審查本集團的管理賬目、資本結構及重要運營數據。

Directors' Report

董事會報告

Compliance Risks

The Board takes effective measures to ensure compliance of the Company with the laws, regulations and rules. The Company has engaged professional consultants and advisors to keep the Company updated on the latest changes in the regulatory environment, including legal, financial, environmental and operational development.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate revenue attributable to the Group's largest customer and five largest customers taken together accounted for approximately 25% and 59% respectively of the Group's total revenue for the year.

The aggregate cost of sales attributable to the Group's largest supplier and five largest suppliers taken together accounted for approximately 68% and 83% respectively of the Group's total cost of sales for the year.

Save otherwise disclosed, at no time during the year have the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors own more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 218 of this annual report.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2021 are set out in the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income on pages 67 to 68 of this annual report.

The state of the Group's affairs as at 31 December 2021 are set out in the consolidated statement of financial position on pages 69 to 70 of this annual report.

The Board does not recommend the payment of a dividend for the year ended 31 December 2021.

合規風險

董事會採取有效措施確保本公司遵守相關的法律、法規及規則。本公司已委聘專業諮詢師及顧問，以令本公司掌握監管環境的最新變動，包括法律、財務、環境及運營方面的發展情況。

主要客戶及供應商

於本年度內，本集團之最大客戶之營業額及五大客戶之營業額總和分別佔本集團之總營業額約25%及59%。

於本年度內，本集團之最大供應商之銷售成本及五大供應商之銷售成本總和分別佔本集團之總銷售成本約68%及83%。

除另有披露外，於本年度內之任何時候，並無董事、彼等之聯繫人士或就董事所知擁有本公司股本5%以上之本公司任何股東擁有該等主要客戶及供應商之任何權益。

財務摘要

本集團於過去五個財政年度之業績、資產及負債之摘要載於本年報第218頁。

業績及股息

本集團截至二零二一年十二月三十一日止年度之業績載於本年報第67至68頁之綜合損益表以及綜合損益及其他全面收益表。

本集團於二零二一年十二月三十一日之事務狀況載於本年報第69至70頁之綜合財務狀況表。

董事會不建議派發截至二零二一年十二月三十一日止年度之股息。

Directors' Report

董事會報告

PROPERTY, PLANT AND EQUIPMENT

Details of significant changes in the property, plant and equipment of the Group during the year are set out in note 18 to the consolidated financial statements.

SHARE CAPITAL

Movements in share capital of the Group and the Company during the year are set out in note 33 to the consolidated financial statements.

RESERVES

Movements in reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity and in note 35 to the consolidated financial statements respectively.

PURCHASE, SALE AND REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the year ended 31 December 2021.

PRE-EMPTIVE RIGHTS

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

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 34 to the consolidated financial statements.

物業、廠房及設備

有關本集團物業、廠房及設備於年內之重大變動詳情載於綜合財務報表附註18。

股本

有關本集團及本公司股本於年內之變動載於綜合財務報表附註33。

儲備

有關本集團及本公司儲備於年內之變動分別載於綜合權益變動表及綜合財務報表附註35。

購買、出售及贖回股份

本公司或其任何附屬公司於截至二零二一年十二月三十一日止年度內概無購買、出售或贖回本公司任何上市股份。

優先購買權

在本公司之組織章程細則或開曼群島法例中，並無有關優先購買權之條文，致使本公司須按比例向現有股東發售新股份。

附屬公司

有關本公司附屬公司之詳情載於綜合財務報表附註34。

Directors' Report

董事會報告

INTEREST-BEARING BORROWINGS

Particulars of interest-bearing borrowings as at 31 December 2021 are set out in note 29 to the consolidated financial statements.

RETIREMENT SCHEMES

Details of the retirement benefits scheme of the Group are set out in note 32 to the consolidated financial statements.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance and has complied throughout the year with the Corporate Governance Code set out in Appendix 14 of the Listing Rules, except for the deviation of code provisions C.2.1.

Further information on the Company's corporate governance practices is set out in the Corporate Governance Report of this annual report.

DIRECTORS

The directors who held office during the year and at the date of this report are:

Executive Directors:

Mr. LU Yi (Chairman and Chief Executive Officer)
(Appointed as executive director on 12 August 2021
and chairman on 1 August 2023)

Mr. XU Xiao Jun (Chairman and Chief Executive Officer)
(Resigned on 18 September 2023)

Mr. YE De Chao

Mr. XU Feng (Appointed on 18 September 2023)

Mr. JI Xu Dong (Resigned on 12 August 2021)

Independent Non-executive Directors:

Mr. HE Jin Geng

Mr. YU Hong Gao

Ms. CHEN Yang

計息借貸

有關於二零二一年十二月三十一日之計息借貸之詳情載於綜合財務報表附註29。

退休計劃

有關本集團退休福利計劃之詳情載於綜合財務報表附註32。

企業管治

本公司致力維持高標準之企業管治，並於整個年度一直遵守上市規則附錄14所載之企業管治守則，除偏離守則條文C.2.1條外。

有關本公司企業管治常規之進一步資料載於本年報企業管治報告內。

董事

於年內及於本報告刊發日期之任職董事如下：

執行董事：

盧翊先生 (主席兼行政總裁)
(於二零二一年八月十二日獲委任為
執行董事並於二零二三年八月一日
獲委任為主席)

徐小俊先生 (主席兼行政總裁)
(於二零二三年九月十八日辭任)

業德超先生

徐峰先生 (於二零二三年九月十八日獲委任)

季旭東先生 (於二零二一年八月十二日辭任)

獨立非執行董事：

何金耿先生

郁紅高先生

陳洋女士

Directors' Report

董事會報告

In accordance with the provisions of the Company's articles of association, Mr. LU Yi, Mr. XU Feng, Mr. HE Jin Geng and Mr. YU Hong Gao shall retire from the Board at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

None of the Directors had any existing or propose service contract with the Company or any member of the Group which is not expiring or terminable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 December 2021, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), to be entered in the register referred to therein; or (b) were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

按照本公司之組織章程細則之條文，盧翊先生、徐峰先生、何金耿先生及郁紅高先生將於本公司即將舉行之股東週年大會上從董事會退任，且合資格並願意膺選連任。

董事之服務合約

概無董事與本公司或本集團任何成員公司訂有或擬訂立任何並非於一年內屆滿或本集團不可於一年內免付賠償（除法定之賠償外）予以終止之服務合約。

董事於證券之權益及淡倉

於二零二一年十二月三十一日，董事及本公司最高行政人員於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所須列入該條例所述登記冊的權益及淡倉（包括根據證券及期貨條例的有關條文彼等被當作或視為擁有之權益及淡倉）；或(b)根據證券及期貨條例第352條須列入該條例所述登記冊之權益及淡倉；或(c)根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則須知會本公司及聯交所之權益及淡倉如下：

Directors' Report

董事會報告

LONG POSITION IN THE ORDINARY SHARES

於普通股之好倉

Name of Director 董事姓名		Number of Shares held 持有之股份數目			% to the issued share capital of the Company 佔本公司 已發行股本 百分比(%)
		Personal Interests 個人權益	Corporate Interests 公司權益	Total 總數	
Mr. Ye De Chao	業德超先生	–	1,108,198,512 (Note) (附註)	1,108,198,512	25.95
Mr. Ji Xu Dong (Resigned on 12 August 2021)	季旭東先生 (於二零二一年 八月十二日辭任)	6,000	–	6,000	0.00014

Note: These Shares were held by Legendary Base International Limited, a company which was wholly-owned by Mr. Ye De Chao. Hence, he was deemed to have a beneficial interest in all these Shares.

附註：該等股份由業德超先生全資擁有之公司 Legendary Base International Limited 持有。因此，其被視為擁有所有該等股份之實益權益。

As at 31 December 2021, Mr. Ye De Chao was the beneficial owner of 60% interests in Forward Investment, an associated corporation of the Company. Save as disclosed above, as at 31 December 2021, none of the Directors or chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associate corporation (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange.

於二零二一年十二月三十一日，業德超先生為本公司一家相聯法團泰和投資60%權益的實益擁有人。除上述披露者外，於二零二一年十二月三十一日，董事或本公司最高行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例）之股份、相關股份或債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之任何權益或淡倉（包括根據證券及期貨條例的有關條文彼等被當作或視為擁有之任何權益及淡倉），或根據證券及期貨條例第352條，須列入該條例所述登記冊之任何權益或淡倉，或根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則須知會本公司及聯交所之任何權益或淡倉。

SHARE OPTION SCHEME

The Company adopted a share option scheme on 11 July 2008 (the “**Share Option Scheme**”). The purposes of the Share Option Scheme are to enable the Group and its invested entities (any entity in which any member of the Group holds an equity interest) to recruit and retain high calibre eligible persons and attract human resources that are valuable to the Group or invested entities, to recognise the contributions of the eligible persons to the growth of the Group or invested entities by rewarding them with opportunities to obtain ownership interest in the Company and to motivate and give incentives to these eligible persons to continue to contribute to the long term success and prosperity of the Group or invested entities. Pursuant to the Share Option Scheme, the Board may invite any eligible person including any director and employee of the Company to take up options to subscribe for shares of the Company. The Share Option Scheme shall be valid and effective for a period of ten years. The Share Option Scheme expired on 11 July 2018. No new share option scheme had been adopted by the Company as at the date of this report.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2021, so far as is known to the Directors or chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under Section 336 of the SFO:

購股權計劃

本公司於二零零八年七月十一日採納一項購股權計劃（「**購股權計劃**」）。購股權計劃之目的為讓本集團及其受投資實體（本集團任何成員公司持有股本權益之任何實體）招募及挽留能幹之合資格人士及吸納對本集團或受投資實體而言屬寶貴之人力資源，透過獎勵合資格人士獲取本公司擁有權權益之機會以表彰彼等對本集團或受投資實體增長之貢獻，並給予該等合資格人士獎勵以鼓勵彼等繼續為本集團或受投資實體之長期成功及蓬勃發展作出貢獻。根據購股權計劃，董事會可邀請任何合資格人士（包括本公司任何董事及僱員）接納可認購本公司股份之購股權。購股權計劃將於十年期限內有效及具效力。購股權計劃已於二零一八年七月十一日屆滿。本公司於本報告日期並無採納任何新購股權計劃。

主要股東

於二零二一年十二月三十一日，就董事或本公司最高行政人員所知，按本公司根據證券及期貨條例第336條須予存置之登記冊所記錄，下列人士（並不包括董事或本公司最高行政人員）於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露之權益或淡倉：

Directors' Report

董事會報告

LONG POSITION IN THE ORDINARY SHARES

於普通股之好倉

Name of shareholder	Capacity	Number of Shares	% to the issued share capital of the Company 佔本公司已發行股本百分比(%)
股東名稱	持有身份	股份數目	
Central Huijin Investment Ltd. (Note 1) 中央匯金投資有限責任公司(附註1)	Interests of controlled corporation 受控法團權益	1,108,198,512	25.95
China Construction Bank Corporation (Note 2) 中國建設銀行股份有限公司(附註2)	Interests of controlled corporation 受控法團權益	1,108,198,512	25.95
Legendary Base International Limited (Note 3) Legendary Base International Limited (附註3)	Beneficial owner 實益擁有人	1,108,198,512	25.95
Expert Ever Limited (Note 4) Expert Ever Limited (附註4)	Beneficial owner 實益擁有人	383,956,000	8.99
Zhang Xiaojun (Note 4) 張曉君(附註4)	Interests of controlled corporation 受控法團權益	383,956,000	8.99

Notes:

- (1) China Construction Bank Corporation was owned as to 57.11% by Central Huijin Investment Ltd..
- (2) According to the disclosure of interest form filed by China Construction Bank Corporation, China Construction Bank Corporation reported interests because Prosper Talent Limited, an indirect wholly-owned subsidiary of China Construction Bank Corporation, was reported to have direct interests in the Shares. So far as the Company was aware of, Prosper Talent Limited was a person having a security interest in the Shares under a share pledge.
- (3) Legendary Base International Limited is wholly-owned by Mr. Ye De Chao, who is a director of both the Company and Legendary Base International Limited.
- (4) Expert Ever Limited was wholly-owned by Zhang Xiaojun.

Save as disclosed above, as at 31 December 2021, no person (other than Directors or chief executive of the Company) had an interest or a short position in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

附註:

- (1) 中國建設銀行股份有限公司由中央匯金投資有限責任公司擁有57.11%股權。
- (2) 根據中國建設銀行股份有限公司提交之權益披露表格，中國建設銀行股份有限公司申報權益乃因申報Prosper Talent Limited(為中國建設銀行股份有限公司之間接全資附屬公司)擁有股份之直接權益。就本公司所知，Prosper Talent Limited為股份抵押項下擁有股份抵押權益之人士。
- (3) Legendary Base International Limited由本公司及Legendary Base International Limited董事葉德超先生全資擁有。
- (4) Expert Ever Limited由張曉君全資擁有。

除上文所披露者外，於二零二一年十二月三十一日，概無人士(並不包括董事或本公司最高行政人員)擁有記錄於本公司根據證券及期貨條例第336條須予存置之登記冊內之股份及相關股份之權益或淡倉。

Directors' Report

董事會報告

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and Senior Management of the Group are set out on pages 37 to 40 of this annual report.

DIRECTORS' INTEREST IN CONTRACTS

Except for the transactions as disclosed in notes 14 and 37 to the consolidated financial statements, no other contracts of significance to which the Company, its holding company or subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

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

CONNECTED TRANSACTION

On 27 September 2012, Keen Gate Developments Limited (“**Keen Gate**”, a wholly-owned subsidiary of the Group), Mr. Ye (an executive director and a substantial shareholder of the Company), Modern Admission Group Limited, Mr. Lee Kai Choi and Forward Investment had entered into a subscription agreement (the “**Subscription Agreement**”) in relation to the subscription of 40% equity interests in Forward Investment by Keen Gate (the “**Subscription**”) at a consideration of HK\$300 million (the “**Consideration**”). The Subscription was completed on 10 December 2012. Pursuant to the Subscription Agreement, Mr. Ye, Modern Admission Group Limited and Mr. Lee Kai Choi (collectively, the “**Guarantors**”) jointly and severally undertake to Keen Gate that the return to Keen Gate, being the dividend receivable from the Group's equity interests in Forward Investment, shall not be less than 12% of the Consideration per annum. In the event the return to Keen Gate falls below such threshold, the Guarantors shall compensate Keen Gate on a dollar-for-dollar basis (the “**Return Undertaking**”) in cash on or before 15 May of each calendar year.

董事及高級管理層履歷

本集團董事及高級管理層之履歷詳情載於本年報第37至40頁。

董事之合約權益

除綜合財務報表附註14及37所披露之交易外，本公司、其控股公司或附屬公司概無訂立任何本公司董事於其中直接或間接有重大權益且於年末或年內任何時間仍有效力之其他重要合約。

管理合約

年內，概無訂立或存在任何與本公司整體業務或其任何重大部分之管理及行政有關之合約。

關連交易

於二零一二年九月二十七日，建基發展有限公司（「**建基**」，本集團之全資附屬公司）、業先生（本公司執行董事及主要股東）、Modern Admission Group Limited、李啟才先生及泰和投資訂立認購協議（「**認購協議**」），內容有關由建基按代價300,000,000港元（「**代價**」）認購泰和投資之40%股權（「**認購事項**」）。認購事項於二零一二年十二月十日完成。根據認購協議，業先生、Modern Admission Group Limited及李啟才先生（統稱為「**擔保人**」）共同及個別向建基承諾，建基之回報（即本集團於泰和投資所擁有之股權之應收股息）每年將不會少於代價之12%。倘建基之回報少於該下限，擔保人須按等額基準於每曆年五月十五日或之前向建基作出現金補償（「**回報承諾**」）。

Directors' Report 董事會報告

The Return Undertaking of approximately HK\$36,000,000 for the year ended 31 December 2020 was paid by the Guarantors on 15 May 2021. In the opinion of the, the Guarantors had fulfilled their obligations under the guarantee for the year ended 31 December 2020.

For the year ended 31 December 2020, Forward Investment suffered a loss and therefore would not be able to pay any dividends to its shareholders, including Keen Gate. The Return Undertaking for the year ended 31 December 2020 would be approximately HK\$36,000,000. The Guarantors shall compensate Keen Gate the amount of approximately HK\$36,000,000 on or before 15 May 2021. On 15 May 2021, the guarantors of the subscription agreement had fulfilled their obligations regarding the return undertaking and compensated the shortfall of the profit guarantee for the year ended 31 December 2020, being HK\$36,000,000, to the Group.

Pursuant to the Subscription Agreement, the Guarantors shall fulfill their obligations on or before 15 May 2022. As at the date of this annual report, the Guarantors have not yet fulfilled their obligations under the guarantee by paying the compensation of approximately HK\$36,000,000 to Keen Gate for the year ended 31 December 2021. Subsequently on 31 August 2023, the Guarantor committed to the Company in writing that, due to his serious health condition, the Return Undertaking for 2021 (and 2022) will be settled on or before 31 August 2024. The Directors of the Company will closely monitor the status of the fulfilment of the Guarantors' obligations regarding the Return Undertaking and will disclose to the public as when the Guarantors have fulfilled their obligations or when the Guarantors fail to fulfill their obligations on or before 31 August 2024 by publication of an announcement.

The INEDs had been informed about the abovementioned. The INEDs will closely monitor the status of the fulfilment of the Guarantors' obligations regarding the Return Undertaking and will provide an opinion (the "INED Opinion") on whether the Guarantors had fulfilled their obligations. The INED Opinion will be disclosed in the Company's next published annual report.

擔保人已於二零二一年五月十五日支付截至二零二零年十二月三十一日止年度之回報承諾約36,000,000 港元。本公司獨立非執行董事（「獨立非執行董事」）認為，擔保人已履行彼等於截至二零二零年十二月三十一日止年度於擔保項下之責任。

截至二零二零年十二月三十一日止年度，泰和投資錄得虧損，因此將未能向其股東（包括建基）派發任何股息。截至二零二零年十二月三十一日止年度之回報承諾將約為36,000,000 港元。擔保人須於二零二一年五月十五日或之前向建基補償約36,000,000港元。於二零二一年五月十五日，認購協議之擔保人已履行其對回報承諾之責任，向本集團補償截至二零二零年十二月三十一日止年度之溢利保證差額（即36,000,000港元）。

根據認購協議，擔保人須於二零二二年五月十五日或之前履行彼等之責任。於本年報日期，擔保人尚未向建基支付截至二零二一年十二月三十一日止年度的補償約36,000,000港元以履行彼等於擔保項下之責任。於二零二三年八月三十一日之後，擔保人向本公司書面承諾，由於其身體狀況欠佳，二零二一年（及二零二二年）的回報承諾將於二零二四年八月三十一日或之前履行。本公司董事將密切監察擔保人履行有關回報承諾責任的情況，並將於擔保人完成履行彼等之責任之時或擔保人不能於二零二四年八月三十一日或之前履行彼等之責任時，刊發公告以向公眾披露。

本公司之獨立非執行董事獲悉上述情況。獨立非執行董事將會密切監察擔保人履行有關回報承諾責任的情況，並於擔保人是否履行彼等之責任上提供意見（「該獨立非執行董事意見」）。該獨立非執行董事意見將會於本公司下一次刊發的年度報告中披露。

EVENTS AFTER THE REPORTING PERIOD

ISSUE OF CONVERTIBLE NOTES UNDER GENERAL MANDATE

On 5 May 2022 (after trading hours of the Stock Exchange), the Company and the subscriber entered into the subscription agreement, pursuant to which the Company has conditionally agreed to issue, and the subscriber has conditionally agreed to subscribe for, the convertible notes in an aggregate principal amount of HK\$33,600,000. The outstanding principal amount of the convertible notes are convertible into conversion shares at the conversion price of HK\$0.395 (subject to adjustments) per conversion share during the conversion period.

The gross proceeds from the issue of the convertible notes will be HK\$33,600,000 and the net proceeds from the issue of the convertible notes, after deduction of the expenses related to the issue of the convertible notes, is estimated to be approximately HK\$33,400,000, which is intended to be used as to (a) HK\$1,000,000 for general working capital of the Group; and (b) the remaining amount for the repayment of loan(s) and any possible business development and investment of the Group when there arises any appropriate opportunity.

If the conditions precedent are not fulfilled or waived (as the case may be) on or before the day falling six (6) months after the date of the subscription agreement (or such other date as the parties to the subscription agreement may agree in writing), the subscription agreement shall be terminated.

As at the date of this report, the subscription agreement has been terminated.

Further details are set out in the announcement of the Company dated 5 May 2022.

報告期後事件

根據一般授權發行可換股票據

於二零二二年五月五日（聯交所交易時段後），本公司與認購方訂立認購協議，據此本公司有條件同意發行而認購方有條件同意認購本金額合共為33,600,000港元之可換股票據。可換股票據之未償還本金額於兌換期內按每股兌換股份之兌換價0.395港元（可予調整）兌換為兌換股份。

發行可換股票據之所得款項總額將為33,600,000港元，而發行可換股票據之所得款項淨額（經扣除發行可換股票據相關開支）估計約為33,400,000港元，該等款項擬用作以下用途：(a) 1,000,000港元用於本集團之一般營運資金；及(b) 餘下款項用於償還貸款以及於出現適當機會時本集團任何未來業務發展及投資。

倘先決條件於認購協議日期後六(6)個月當日或之前（或認購協議訂約方可能書面協定之有關其他日期）未獲達成或豁免（視乎情況而定），認購協議則將告終止。

於本報告日期，認購協議已經終止。

有關詳情載於本公司日期為二零二二年五月五日的公告。

Directors' Report

董事會報告

AUDIT COMMITTEE

The audit committee of the Company (“**Audit Committee**”) presently comprises three independent non-executive Directors. The Audit Committee has reviewed with the management and the Company’s external auditors the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting process including the review of the consolidated financial statements for the year ended 31 December 2021.

COMPETING INTERESTS

None of the Directors or any of their respective associates, is interested in any business that competes or is likely to compete, either directly or indirectly, with the business of the Group, nor has any other conflict of interest with the Group.

PUBLIC FLOAT

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

AUDITORS

On 19 March 2020, Crowe (HK) CPA Limited resigned as the auditors of the Company. The Audit Committee recommended to appoint HLB Hodgson Impey Cheng Limited with effect from 19 March 2020 to fill the casual vacancy so arising. On 11 October 2023, HLB Hodgson Impey Cheng Limited resigned as the auditors of the Company. The Audit Committee recommended to appoint Asian Alliance (HK) CPA Limited with effect from 11 October 2023 to fill the casual vacancy so arising.

審核委員會

本公司審核委員會（「**審核委員會**」）目前由三名獨立非執行董事組成。審核委員會已與管理層及本公司之外聘核數師審閱本集團所採納之會計原則及慣例，並討論審核、內部監控及財務申報程序，包括審閱截至二零二一年十二月三十一日止年度之綜合財務報表。

競爭權益

董事或彼等各自的任何聯繫人概無直接或間接擁有與本集團業務構成競爭或可能構成競爭的業務中的任何權益，亦無與本集團有任何其他利益衝突。

公眾持股量

按本公司可公開獲得之資料及就董事所知，於本報告刊發前之最後可行日期，本公司於年內及截至本報告日期止一直維持上市規則指定數額之公眾持股量。

核數師

於二零二零年三月十九日，國富浩華（香港）會計師事務所有限公司辭任本公司核數師。審核委員會推薦委任國衛會計師事務所有限公司為本公司核數師，自二零二零年三月十九日生效。於二零二三年十月十一日，國衛會計師事務所有限公司辭任本公司核數師。審核委員會推薦委任華融（香港）會計師事務所有限公司為本公司核數師，自二零二三年十月十一日生效。

Directors' Report

董事會報告

The consolidated financial statements have been audited by Asian Alliance (HK) CPA Limited whose term of office will expire upon the forthcoming annual general meeting of the Company. A resolution for the re-appointment of Asian Alliance (HK) CPA Limited as the auditors of the Company for the subsequent year is to be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board of Directors

LU Yi
Chairman

Hong Kong, 5 January 2024

綜合財務報表經由華融(香港)會計師事務所有限公司審核，彼於本公司即將舉行之股東週年大會上任滿。本公司將於即將舉行之股東週年大會上提呈一項決議案重新聘任華融(香港)會計師事務所有限公司為本公司來年之核數師。

代表董事會

主席
盧翊

香港，二零二四年一月五日

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



TO THE SHAREHOLDERS OF CHINA INFRASTRUCTURE INVESTMENT LIMITED

中國基建投資有限公司
(incorporated in the Cayman Islands with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of China Infrastructure Investment Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 67 to 217, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致中國基建投資有限公司

列位股東
(於開曼群島註冊成立之有限公司)

不發表意見

吾等被聘用以審核載於第67至217頁的中國基建投資有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表。此等綜合財務報表包括於二零二一年十二月三十一日的綜合財務狀況表以及截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

吾等並無對 貴集團綜合財務報表發表意見。由於報告內不發表意見之基準一節所述事宜之重要性，吾等未能獲取充足及適當的審核憑證，為該等綜合財務報表發表審核意見提供基礎。在所有其他方面，吾等認為綜合財務報表乃根據香港公司條例的披露規定妥善編製。

Independent Auditors' Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION

(A) LIMITATION OF SCOPE ON ACCOUNTING BOOKS AND RECORDS OF TIANJIN HUI LI YUAN

During the year ended 31 December 2021, a key management of the Group has been suffering from serious health problems, which caused great hindrance to him in the management and daily works in the Group. In light of the disruptions and uncertainty surrounding the operation of 天津滙力源動力設備有限公司 (Tianjin Hui Li Yuan Power Equipment Co. Ltd.*) (“Tianjin Hui Li Yuan”), a principal non-wholly owned subsidiary of the Group, all of the employees of Tianjin Hui Li Yuan, including the key personnel of the management team and the responsible person for finance and accounting matters of Tianjin Hui Li Yuan, had left Tianjin Hui Li Yuan. Tianjin Hui Li Yuan has suspended its operation since the year ended 31 December 2021.

The directors of the Company had taken all reasonable steps to preserve and maintain the books and records of Tianjin Hui Li Yuan that were left behind by certain former management and key personnel of Tianjin Hui Li Yuan responsible for finance and accounting matters, including but not limited to the management accounts, ledgers and sub-ledgers account. Despite the best endeavor of the directors of the Company to (i) locate supporting documents, such as invoices, purchase orders, construction agreements (the “Construction Agreements”) and progress reports (the “Progress Reports”), regarding the construction in progress, major assets of Tianjin Hui Li Yuan, and (ii) assemble the explanations on the journal entries, they were unable to fully access/recover the accounting and finance records.

不發表意見之基準

(A) 有關天津滙力源賬簿及記錄的範圍限制

截至二零二一年十二月三十一日止年度，貴集團一名主要管理層人員身體狀況嚴重欠佳，對其管理貴集團及於貴集團的日常工作造成重大阻礙。鑒於貴集團的主要非全資附屬公司天津滙力源動力設備有限公司（「天津滙力源」）運營中斷及有關不確定性，天津滙力源的全部僱員（包括管理團隊主要人員及天津滙力源負責財務及會計事宜的主要人員）已離開天津滙力源。天津滙力源已自截至二零二一年十二月三十一日止年度起暫停運營。

貴公司董事已採取一切合理步驟，以保留及存置若干前管理層及天津滙力源負責財務及會計事宜的主要人員留下的天津滙力源賬簿及記錄，包括但不限於管理賬目、收支總賬及分類賬。儘管貴公司董事竭盡所能(i)查找有關天津滙力源在建工程及主要資產之證明文件，例如發票、採購訂單、建築協議（「建築協議」）及進度報告（「進度報告」），及(ii)收集有關分錄項目之說明，彼等無法完全獲得／恢復會計及財務記錄。

Independent Auditors' Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION

(Continued)

(A) LIMITATION OF SCOPE ON ACCOUNTING BOOKS AND RECORDS OF TIANJIN HUI LI YUAN (Continued)

In addition, as disclosed in Notes 22 and 36 to the consolidated financial statements, Tianjin Hui Li Yuan had entered into an agreement (the "Pledge Agreement") with a PRC trust company (the "Lender"), to provide a pledge (the "Pledge") of the properties of Tianjin Hui Li Yuan ("Tianjin Properties"), which are major assets of Tianjin Hui Li Yuan with aggregate carrying amounts of approximately HK\$110,882,000 and HK\$Nil as at 31 December 2020 and 31 December 2021 respectively, to secure a loan in the sum of RMB80,000,000 (the "Loan") granted by the Lender to a business partner (the "Borrower"), an independent third party of the Group. In order to protect the interest of the Group against the loss which might be suffered by the Group under the Pledge, the Borrower and the non-controlling interest of Tianjin Hui Li Yuan entered into a counter indemnity in favour of the Group pursuant to which they agreed to, among other matters, indemnify the Group for its liabilities and loss which may arise from the Pledge. The non-controlling interest of Tianjin Hui Li Yuan also agreed to indemnify the Group by offering a pledge of its 40% equity interest in Tianjin Hui Li Yuan to the Group upon default in loan payments by the Borrower. Subsequent to the end of the financial reporting period, on 30 March 2022, 天津市南開區人民法院 (Tianjin Nankai District People's Court*) made a judgement (the "Judgement") that amongst other things, the Borrower shall compensate 天津物產進出口貿易有限公司 (Tianjin Product Import & Export Trading Co., Ltd.*) ("Tianjin Trading"), being a party which the Lender has transferred its interest in the Loan to Tianjin Trading. If the Borrower fail to compensate Tianjin Trading, Tianjin Hui Li Yuan shall bear the shortfall amount by the proceed from sale of the Tianjin Properties. As a result, the Tianjin Properties were fully impaired and impairment loss of approximately HK\$113,919,000 was recognised during the year ended 31 December 2021.

不發表意見之基準 (續)

(A) 有關天津滙力源賬簿及記錄的範圍限制 (續)

此外，如綜合財務報表附註22及36所披露，天津滙力源與中國信託公司（「貸方」）訂立協議（「抵押協議」），以天津滙力源之物業（「天津物業」）（天津物業為天津滙力源的主要資產，於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的總賬面值分別約為110,882,000港元及零港元）作抵押（「抵押」），以為貸方向一名業務夥伴（貴集團獨立第三方）（「借款人」）授出貸款合共人民幣80,000,000元（「貸款」）提供擔保。為保障貴集團之利益，免因該抵押而讓貴集團遭受損失，借款人及天津滙力源的非控股股東權益以貴集團為受益人訂立一份反向彌償。據此，彼等同意（其中包括）彌償貴集團因該抵押而可能產生之負債及損失。天津滙力源的非控股股東權益亦同意於借款人拖欠貸款時向貴集團提供其於天津滙力源40%股權的抵押作為補償。於二零二二年三月三十日財政報告期末後，天津市南開區人民法院作出判決（「判決」），其中包括，借款人須補償天津物產進出口貿易有限公司（「天津貿易」）（即獲貸方轉讓其於該貸款權益之一方）。倘借款人未能補償天津貿易，天津滙力源須以出售天津物業之所得款項承擔差額。因此，天津物業獲悉數減值，減值虧損約113,919,000港元於截至二零二一年十二月三十一日止年度確認。

Independent Auditors' Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION

(Continued)

(A) LIMITATION OF SCOPE ON ACCOUNTING BOOKS AND RECORDS OF TIANJIN HUI LI YUAN (Continued)

Under the circumstances as explained above, we were not able to carry out procedures which we considered necessary on the books and records of Tianjin Hui Li Yuan, including but not limited to the Construction Agreements, the Progress Reports, the Pledge Agreement and the indemnity documents, to satisfy ourselves as to (i) the existence, rights and obligations, completeness, accuracy, valuation and classification of (a) its total assets of approximately HK\$118,327,000, total liabilities of approximately HK\$72,519,000 and the cumulative exchange reserve of approximately HK\$662,000 (debit balance) as at 31 December 2020; and (b) its total assets of approximately HK\$7,318,000, total liabilities of approximately HK\$88,883,000 and the cumulative exchange reserve of approximately HK\$2,007,000 (debit balance) as at 31 December 2021; (ii) the occurrence, completeness, accuracy, cut-off and classification of (a) its loss of approximately HK\$88,614,000 and HK\$128,718,000 for the years ended 31 December 2020 and 31 December 2021, respectively; and (b) its total comprehensive expenses of approximately HK\$80,060,000 and HK\$127,373,000 for the years ended 31 December 2020 and 31 December 2021, respectively, and (iii) the segment information of property investment segment, the contingent liabilities and other related disclosure notes in relation to Tianjin Hui Li Yuan, as included in the consolidated financial statements of the Group for the years ended 31 December 2020 and 31 December 2021, have been accurately recorded and properly accounted for in the consolidated financial statements. There were no other satisfactory audit procedures that we could adopt to obtain sufficient appropriate evidence in this regard.

不發表意見之基準 (續)

(A) 有關天津滙力源賬簿及記錄的範圍限制 (續)

根據上文解釋的情況，吾等未必能開展吾等認為對天津滙力源的賬簿及記錄屬必要的程序，包括但不限於建築協議、進度報告、抵押協議及彌償文件，以使吾等信納(i)(a)其於二零二零年十二月三十一日的總資產約118,327,000港元、負債總額約72,519,000港元及累計匯兌儲備約662,000港元(借方餘額)；及(b)其於二零二一年十二月三十一日的總資產約7,318,000港元、負債總額約88,883,000港元及累計匯兌儲備約2,007,000港元(借方餘額)的存在、權利及義務、完整性、準確性、估值及分類；(ii)(a)其截至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止年度的虧損分別約88,614,000港元及128,718,000港元；及(b)其截至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止年度的全面開支總額分別約80,060,000港元及127,373,000港元的發生、完整性、準確性、截止及分類，以及(iii)貴集團截至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止年度的綜合財務報表所載的有關天津滙力源的物業投資分部的分部資料、或然負債及其他相關披露附註已於綜合財務報表中準確記錄及妥善入賬。並無其他可使吾等採納之令人信納的審核程序以就此獲得充足及適當的憑證。

Independent Auditors' Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION

(Continued)

(A) LIMITATION OF SCOPE ON ACCOUNTING BOOKS AND RECORDS OF TIANJIN HUI LI YUAN (Continued)

Financial information in respect of Tianjin Hui Li Yuan is set out below:

Income and expenses of Tianjin Hui Li Yuan:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Other losses	其他虧損	(11,281)	–
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備確認的減值虧損	(113,919)	(87,937)
Finance costs	財務成本	(2,694)	–
Administrative expenses	行政開支	(824)	(677)
Loss before tax	除稅前虧損	(128,718)	(88,614)
Income tax expenses	所得稅開支	–	–
Loss for the year	年內虧損	(128,718)	(88,614)
Other comprehensive income	其他全面收益	1,345	8,554
Total comprehensive expenses for the year	年內全面開支總額	(127,373)	(80,060)

不發表意見之基準 (續)

(A) 有關天津滙力源賬簿及記錄的範圍限制 (續)

天津滙力源的財務資料載列如下：

天津滙力源的收入及開支：

Independent Auditors' Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION

(Continued)

(A) LIMITATION OF SCOPE ON ACCOUNTING BOOKS AND RECORDS OF TIANJIN HUI LI YUAN (Continued)

Assets and liabilities of Tianjin Hui Li Yuan:

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	110,882
Other receivables	其他應收款項	7,327
Cash and cash equivalents	現金及現金等值物	118
Other payables	其他應付款項	(1,649)
Amounts due to the Group	應付 貴集團款項	(70,870)
Net (liabilities) assets of Tianjin Hui Li Yuan	天津滙力源的 (負債淨額) 資產淨值	45,808

Any adjustments found to be necessary to the above matters might have significant consequential effects on the consolidated financial performance and cash flows of the Group for the years ended 31 December 2020 and 31 December 2021, the consolidated financial position of the Group as at 31 December 2020 and 31 December 2021 and the related disclosures thereof in the consolidated financial statements.

(B) LIMITATION OF SCOPE ON INTERESTS IN ASSOCIATES

As disclosed in Note 23 to the consolidated financial statements, the Group's interests in associates represent 40% equity interests in Forward Investment (PRC) Company Limited ("Forward Investment") and its subsidiary (collectively referred to as the "Forward Investment Group"). The carrying amount of the Group's interests in associates amounted to approximately HK\$167,109,000 and HK\$832,000 as at 31 December 2020 and 31 December 2021 respectively, share of loss of associates amounted to approximately HK\$144,569,000 and HK\$169,558,000 for the years ended 31 December 2020 and 31 December 2021 respectively, and share of other comprehensive income of the associates amounted to approximately HK\$11,360,000 and HK\$3,281,000 for the years ended 31 December 2020 and 31 December 2021, respectively.

不發表意見之基準 (續)

(A) 有關天津滙力源賬簿及記錄的範圍限制 (續)

天津滙力源的資產及負債：

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	110,882
Other receivables	其他應收款項	7,327
Cash and cash equivalents	現金及現金等值物	118
Other payables	其他應付款項	(1,649)
Amounts due to the Group	應付 貴集團款項	(70,870)
Net (liabilities) assets of Tianjin Hui Li Yuan	天津滙力源的 (負債淨額) 資產淨值	45,808

倘有必要對上述事宜作出任何調整，則可能會對截至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止年度的 貴集團綜合財務表現及現金流量、截至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的 貴集團綜合財務狀況以及綜合財務報表中的相關披露產生重大後續影響。

(B) 於聯營公司權益的範圍限制

如綜合財務報表附註23所披露，貴集團於聯營公司之權益指於泰和投資(中國)有限公司(「泰和投資」)及其附屬公司(「泰和投資集團」)之40%股權。貴集團於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之於聯營公司之權益的賬面值分別約為167,109,000港元及832,000港元、截至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止年度的應佔聯營公司虧損分別約為144,569,000港元及169,558,000港元、截至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止年度的應佔聯營公司其他全面收益分別約為11,360,000港元及3,281,000港元。

Independent Auditors' Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION

(Continued)

(B) LIMITATION OF SCOPE ON INTERESTS IN ASSOCIATES (Continued)

In accordance with 江寧國土資預審函(2019)16號文 (the Jiangning Land Resources Preliminary Review Letter (2019) Document No. 16*) issued on 11 November 2019, 南京市國土資源局江寧分局 (Jiangning Branch of Nanjing Department of Land and Resources*) approved the project scope of “南京市江寧區金牛山增壓站二期工程 (Phase II Project of Jinniushan Supercharging Station*) in Jiangning District, Nanjing Jiangsu Province, the PRC (the “Jinniushan Project”)”. The project scope includes the land under development (the “Guli Project”) held by the Forward Investment Group located in Guli community Jiangning District, Nanjing, Jiangsu Province, the PRC.

During the year ended 31 December 2021, in order for the Jinniushan Project to proceed, 谷里社區居民委員會 (Guli Community Residents Committee*) (“Guli Committee”) entered into a compensation agreement with 南京泰和盈科置業有限公司 (Nanjing Taihe Yingke Property Company Limited*) (“Nanjing Taihe”), a wholly-owned subsidiary of Forward Investment, pursuant to which Guli Committee offer to compensate Nanjing Taihe for the land resumption (the “Land Resumption”) for approximately RMB18,619,000 and Nanjing Taihe accepted the offer. Therefore, Naning Taihe recognised a loss on disposal of construction in progress included in property, plant and equipment amounted to approximately HK\$121,161,000 resulted from the Land Resumption during the year ended 31 December 2021.

We were unable to obtain sufficient appropriate audit evidence as at 31 December 2020, to satisfy ourselves as to the existence, rights and obligations, completeness, accuracy, valuation and classification of the Guli Project, and hence the accuracy of the loss on disposal, which might have material effects on i) the financial position of the Forward Investment Group as at 31 December 2020; and ii) the financial performance of the Forward Investment Group for the years ended 31 December 2020 and 31 December 2021.

不發表意見之基準 (續)

(B) 於聯營公司權益的範圍限制 (續)

根據於二零一九年十一月十一日頒發的江寧國土資預審函(2019)16號文，南京市國土資源局江寧分局批准中國江蘇省南京市江寧區金牛山增壓站二期工程(「金牛山項目」)的項目範圍。項目範圍包括位於中國江蘇省南京市江寧區谷里社區由泰禾投資集團持有的開發中土地(「谷里項目」)。

截至二零二一年十二月三十一日止年度，為使金牛山項目得以進行，谷里社區居民委員會(「谷里社區」)與泰和投資的全資附屬公司南京泰和盈科置業有限公司(「南京泰和」)訂立補償協議，據此，谷里社區就收回土地(「土地收回」)向南京泰和提供補償約人民幣18,619,000元，南京泰和接受補償。因此，南京泰和於截至二零二一年十二月三十一日止年度確認由土地收回產生的出售在建工程(包括物業、廠房及設備)虧損約121,161,000港元。

吾等無法於二零二零年十二月三十一日獲得充足及適當的審核憑證，使吾等信納谷里項目的存在、權利及義務、完整性、準確性、估值及分類，因此無法信納出售之虧損的準確性，這可能對i)泰和投資集團於二零二零年十二月三十一日的財務狀況；及ii)泰和投資集團於截至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止年度的財務表現產生重大影響。

Independent Auditors' Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION

(Continued)

(B) LIMITATION OF SCOPE ON INTERESTS IN ASSOCIATES (Continued)

In additions, the management of the Forward Investment Group performed ECL assessment on its financial assets, including other receivables and bank balances as at 31 December 2021. As at 31 December 2021, the allowance for credit losses of other receivables is approximately HK\$221,252,000, resulting impairment losses on other receivables of approximately HK\$221,252,000, being recognised in the consolidated profit or loss of the Forward Investment Group for the year ended 31 December 2021.

However, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the opening balances of the allowance for credit losses of other receivables, as at 1 January 2021 of HK\$Nil, were free from material misstatements and hence whether (i) the impairment loss on other receivables of HK\$Nil for the year ended 31 December 2020; and (ii) the impairment loss on other receivables of approximately HK\$221,252,000, for the year ended 31 December 2021, were free from material misstatement.

Consequently, as the Group accounts for its interests in the Forward Investment Group by using equity method, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the Group's share of net assets of the Forward Investment Group as at 31 December 2020 and the Group's share of results and other comprehensive income of the Forward Investment Group for the years ended 31 December 2020 and 31 December 2021 were free from material misstatements. There were no other satisfactory audit procedures that we could adopt to obtain sufficient appropriate audit evidence in this regard.

不發表意見之基準 (續)

(B) 於聯營公司權益的範圍限制 (續)

此外，泰和投資集團管理層對其金融資產（包括於二零二一年十二月三十一日的其他應收款項及銀行結餘）進行預期信貸虧損評估。於二零二一年十二月三十一日，其他應收款項的信貸虧損撥備約為221,252,000港元，導致截至二零二一年十二月三十一日止年度於泰和投資集團的綜合損益中確認其他應收款項減值虧損約221,252,000港元。

然而，吾等尚未獲得充足及適當的審核憑證使吾等信納，其他應收款項信貸虧損撥備於二零二一年一月一日的年初結餘零港元是否不存在重大錯誤陳述，因此，無法信納(i)截至二零二零年十二月三十一日止年度的其他應收款項減值虧損零港元；及(ii)截至二零二一年十二月三十一日止年度的其他應收款項減值虧損約221,252,000港元是否不存在重大錯誤陳述。

因此，鑒於貴集團通過使用權益法將其於泰和投資集團的權益入賬，吾等無法獲得充足及適當的審核憑證使吾等信納，貴集團應佔泰和投資集團於二零二零年十二月三十一日的資產淨值及貴集團應佔泰和投資集團截至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止年度的業績及其他全面收益不存在重大錯誤陳述。並無其他可使吾等採納之令人信納的審核程序以就此獲得充足及適當的審核憑證。

Independent Auditors' Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION

(Continued)

(C) LIMITATION OF SCOPE ON LOSS ON EXPECTED CREDIT LOSS ("ECL") FOR FINANCIAL ASSETS

As described in Note 6(b) to the consolidated financial statements, the Group performed ECL assessment of financial assets, including trade receivables, other receivables, deposits and prepayments and bank balances as at 31 December 2021. As at 31 December 2021, the allowance for credit losses of trade receivables, other receivables, deposits and prepayment are approximately HK\$86,714,000 and HK\$99,980,000, respectively, resulting in impairment losses on trade receivables, other receivables, deposits and prepayments of approximately HK\$65,640,000 and HK\$126,660,000, respectively, being recognised in the consolidated profit or loss of the Group for the year ended 31 December 2021.

However, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the opening balances of the allowance for credit losses of trade receivables, other receivables, deposits and prepayments, as at 1 January 2021 of approximately HK\$20,547,000 and HK\$20,176,000, respectively, were free from material misstatements and hence whether i) the impairment loss on trade receivables, other receivables, deposits and prepayments of approximately HK\$20,547,000 and HK\$20,176,000, respectively, for the year ended 31 December 2020; and ii) the impairment loss on trade receivables, other receivables, deposits and prepayments of approximately HK\$65,640,000 and HK\$126,660,000, respectively, for the year ended 31 December 2021, were free from material misstatement.

不發表意見之基準 (續)

(C) 金融資產預期信貸虧損 (「預期信貸虧損」) 之虧損的範圍限制

如綜合財務報表附註6(b)所述，貴集團對金融資產（包括於二零二一年十二月三十一日的應收貿易賬款、其他應收款項、按金及預付款項及銀行結餘）進行預期信貸虧損評估。於二零二一年十二月三十一日，應收貿易賬款、其他應收款項、按金及預付款項的信貸虧損撥備分別約為86,714,000港元及99,980,000港元，導致截至二零二一年十二月三十一日止年度於貴集團的綜合損益中確認應收貿易賬款、其他應收款項、按金及預付款項之減值虧損約65,640,000港元及126,660,000港元。

然而，吾等尚未獲得充足及適當的審核憑證使吾等信納，應收貿易賬款、其他應收款項、按金及預付款項之信貸虧損撥備於二零二一年一月一日的年初結餘分別約20,547,000港元及20,176,000港元是否不存在重大錯誤陳述，因此，無法信納i)截至二零二零年十二月三十一日止年度的應收貿易賬款、其他應收款項、按金及預付款項減值虧損分別約20,547,000港元及20,176,000港元；及ii)截至二零二一年十二月三十一日止年度的應收貿易賬款、其他應收款項、按金及預付款項減值虧損分別約65,640,000港元及126,660,000港元是否不存在重大錯誤陳述。

Independent Auditors' Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION

(Continued)

(D) LIMITATION OF SCOPE ON INVESTMENT PROPERTIES

As described in Note 20 to the consolidated financial statements, the carrying amount of investment properties as at 31 December 2021 of approximately HK\$29,816,000. The fair values of the Group's investment properties are determined by adopting the valuation techniques with significant unobservable inputs, assumptions of market conditions and judgements. The Group also engaged an independent qualified professional valuer to establish and determine the appropriate valuation techniques, resulting in a net loss from changes in fair values of investment properties amounting to approximately HK\$24,944,000 for the year ended 31 December 2021.

However, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the fair values of the investment properties as at 1 January 2021 of approximately HK\$53,782,000, was free from material misstatements and hence whether i) the loss from changes in fair values of investment properties amounting to approximately HK\$77,966,000 for the year ended 31 December 2020; and ii) the loss from changes in fair values of investment properties amounting to approximately HK\$24,944,000 for the year ended 31 December 2021, were free from material misstatement.

不發表意見之基準 (續)

(D) 投資物業的範圍限制

如綜合財務報表附註20所述，於二零二一年十二月三十一日的投資物業的賬面值約為29,816,000港元。貴集團投資物業的公平值採用估值方法釐定，當中涉及重大不可觀察輸入值、市況假設及判斷。貴集團亦聘請獨立合資格專業估值師，以設立及釐定適當的估值方法，截至二零二一年十二月三十一日止年度之投資物業公平值變動產生的虧損淨額約為24,944,000港元。

然而，吾等尚未獲得充足及適當的審核憑證使吾等信納，投資物業於二零二一年一月一日的公平值約53,782,000港元是否不存在重大錯誤陳述，因此，無法信納i)截至二零二零年十二月三十一日止年度的投資物業公平值變動產生的虧損約77,966,000港元；及ii)截至二零二一年十二月三十一日止年度的投資物業公平值變動產生的虧損約24,944,000港元不存在重大錯誤陳述。

Independent Auditors' Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION

(Continued)

(E) MULTIPLE FUNDAMENTAL UNCERTAINTIES RELATING TO GOING CONCERN

As stated in Note 3.1 to the consolidated financial statements, the Group reported loss attributable to the owners of the Company of approximately HK\$581,677,000 for the year ended 31 December 2021 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$173,265,000 and the Group had net liabilities of approximately HK\$142,340,000, in which interest-bearing borrowing and the respective interest payable and redemption premium payable amounted to approximately HK\$115,000,000 and HK\$195,414,000 respectively, while its cash and cash equivalents only amounted to approximately HK\$1,862,000. In additions, due to an array of epidemic prevention measures including lockdown measures implemented by the PRC government due to the COVID-19, the business operation of the Group was inevitably affected.

These conditions indicate the existence of material uncertainties which may cast significant doubt the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

As explained in Note 3.1 to the consolidated financial statements, the consolidated financial statements have been prepared by the directors of the Company on a going concern basis, the validity of which is dependent on the Group's ability to obtain sufficient future funding. Due to the uncertainty of the Group's ability to maintain adequate future cash flows, we were unable to ascertain whether the assumptions made by the directors of the Company in preparing the consolidated financial statements on a going concern basis are proper and appropriate.

Should the going concern assumption be inappropriate, adjustments would be necessary to reclassify all non-current assets and liabilities as current assets and liabilities respectively, to write-down the value of assets to their recoverable amounts and to provide for further liabilities which may arise. The consolidated financial statements have not incorporated any of these adjustments. However, the uncertainty surrounding the Group's future cash flows raises significant doubt about the Group's ability to continue as a going concern. We consider that appropriate disclosures have been made in the consolidated financial statements concerning this situation, but we are unable to obtain adequate evidence concerning the Group's ability to meet any financial obligations as and when they fall due and we consider that these material uncertainties relating to going concern basis.

We consider the cumulative effect of the above matters on the consolidated financial statements is so extreme that we have disclaimed our opinion.

不發表意見之基準 (續)

(E) 有關持續經營之多項基本不明朗因素

如綜合財務報表附註3.1所述，貴集團呈報截至二零二一年十二月三十一日止年度之貴公司擁有人應佔虧損約581,677,000港元，截至該日，貴集團流動負債超出流動資產約173,265,000港元，及貴集團負債淨額約142,340,000港元，其中計息借貸、相關應付利息及償還溢價分別為約115,000,000港元及應付195,414,000港元，而現金及現金等值物僅約1,862,000港元。此外，由於中國政府因COVID-19疫情採取的封鎖措施等一系列疫情防控措施，本集團的業務營運不可避免地受到影響。

該等狀況表明存在可能對貴集團持續經營能力產生重大疑慮的重大不明朗因素，因此，貴集團未必能於日常業務過程中變現資產及履行責任。

如綜合財務報表附註3.1所解釋，貴公司董事已按持續經營基準編製綜合財務報表，其有效性取決於貴集團獲得充足未來融資的能力。由於貴集團維持充足未來現金流量能力的不確定性，吾等不能確定貴公司董事於按持續經營基準編製綜合財務報表時所作假設是否妥善及恰當。

倘持續經營之假設不適當，將會作出必要調整以將所有非流動資產及負債重新分類至流動資產及負債，撇銷資產價值至其可收回金額並對可能產生的其他負債計提撥備。綜合財務報表尚未載入任何該等調整。然而，有關貴集團未來現金流量的不明朗因素導致對貴集團持續經營的能力產生重大懷疑。吾等認為該情況已於綜合財務報表中作出適當披露，但是吾等未能獲得有關貴集團履行其到期財務責任能力的充足憑證，吾等認為該等重大不明朗因素與持續經營有關。

吾等認為上述事宜對綜合財務報表的累積影響過於極端，故吾等不發表意見。

Independent Auditors' Report

獨立核數師報告

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 Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

董事及管治層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則及香港公司條例之披露規定編製及真實而公允地列報綜合財務報表，並負責 貴公司董事認為就確保綜合財務報表之編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需之有關內部控制。

於編製綜合財務報表時， 貴公司董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非董事有意將 貴集團清盤，或停止營運，或除此之外並無其他實際可行的辦法，否則 貴公司董事須採用以持續經營為基礎的會計法。

管治層須負責監督 貴集團的財務報告流程。

核數師就審核綜合財務報表須承擔的責任

吾等的責任為根據香港會計師公會頒佈的香港審計準則對 貴集團的綜合財務報表進行審核，並出具包括吾等意見的核數師報告。吾等根據吾等的聘用條款僅向 閣下（作為整體）報告，並不作其他用途。吾等不就本報告之內容向任何其他人士負上或承擔責任。然而，由於本報告不發表意見之基準一節所述事宜，吾等並未獲得充足及適當的審核憑證以為該等綜合財務報表之審核意見提供基礎。

Independent Auditors' Report

獨立核數師報告

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

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.

Asian Alliance (HK) CPA Limited
Certified Public Accountants (Practising)

Chung Chi Chiu

Practising Certificate Number: P06610

8/F, Catic Plaza
8 Causeway Road
Causeway Bay
Hong Kong

5 January 2024

核數師就審核綜合財務報表 須承擔的責任 (續)

吾等根據香港會計師公會頒佈之專業會計師道德守則(「守則」)獨立於貴集團。吾等亦已根據守則履行其他道德責任。

華融(香港)會計師事務所有限公司

執業會計師

鍾志釗

執業證書編號：P06610

香港
銅鑼灣
高士威道8號
航空大廈8樓

二零二四年一月五日

* For identification purpose only

CHINA INFRASTRUCTURE INVESTMENT LIMITED
Annual Report 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

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

		Notes	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
		附註		
Revenue	收益	7	3,157	127,414
Cost of sales	銷售成本		(1,146)	(124,583)
Gross profit	毛利		2,011	2,831
Other income, gains and losses	其他收入、收益及虧損	9	24,724	36,695
Loss from changes in fair values of investment properties, net	投資物業公平值變動產生之虧損淨額	20	(24,944)	(77,966)
Impairment losses recognised in respect of property, plant and equipment	就物業、廠房及設備確認之減值虧損	18	(113,999)	(87,937)
Impairment losses under expected credit loss model, net of reversal	預期信貸虧損模式項下的減值虧損（扣除撥回）	11	(192,300)	(40,723)
Administrative expenses	行政開支		(12,044)	(32,008)
Share of results of associates	應佔聯營公司之業績	23	(169,558)	(144,569)
Finance costs	財務成本	10	(160,500)	(12,237)
Loss before tax	除稅前虧損	13	(646,610)	(355,914)
Income tax credit	所得稅抵免	12	—	7,417
Loss for the year	年內虧損		(646,610)	(348,497)
Attributable to:	應佔：			
– Owners of the Company	– 本公司擁有人		(581,677)	(278,857)
– Non-controlling interests	– 非控股股東權益		(64,933)	(69,640)
Loss for the year	年內虧損		(646,610)	(348,497)
Loss per share	每股虧損	17		
Basic	基本		(13.62) cents 仙	(6.53) cents 仙
Diluted	攤薄		N/A 不適用	N/A 不適用

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

	Note	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
	附註		
Loss for the year		(646,610)	(348,497)
Other comprehensive income for the year:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		15,373	22,642
Share of other comprehensive income of associates, net of related income tax	23	3,281	11,360
Other comprehensive income for the year, net of tax		18,654	34,002
Total comprehensive expenses for the year		(627,956)	(314,495)
Total comprehensive expenses attributable to:			
– Owners of the Company		(564,004)	(249,289)
– Non-controlling interests		(63,952)	(65,206)
Total comprehensive expenses		(627,956)	(314,495)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2021 於二零二一年十二月三十一日

		Notes	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
		附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	18	9	110,981
Right-of-use assets	使用權資產	19	268	590
Investment properties	投資物業	20	29,816	53,782
Goodwill	商譽	21	—	—
Interests in associates	於聯營公司之權益	23	832	167,109
			30,925	332,462
CURRENT ASSETS	流動資產			
Trade receivables	應收貿易賬款	24	53,854	117,752
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	25	153,543	229,342
Cash and cash equivalents	現金及現金等值物	26	1,862	18,491
			209,259	365,585
CURRENT LIABILITIES	流動負債			
Trade payables	應付貿易賬款	27	14,660	15,579
Accruals and other payables	應計費用及其他應付款項	28	246,362	75,183
Interest-bearing borrowing	計息借貸	29	115,000	115,000
Lease liabilities	租賃負債	30	296	327
Tax payables	應付稅項		6,206	6,046
			382,524	212,135
NET CURRENT (LIABILITIES) ASSETS	流動(負債淨額)資產淨值		(173,265)	153,450
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		(142,340)	485,912
NON-CURRENT LIABILITIES	非流動負債			
Lease liabilities	租賃負債	30	—	296
NET (LIABILITIES) ASSETS	(負債淨額)資產淨值		(142,340)	485,616

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2021 於二零二一年十二月三十一日

		Notes	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
		附註		
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	33	213,496	213,496
Reserves	儲備		(294,413)	269,591
Equity attributable to owners of the Company	本公司擁有人應佔權益		(80,917)	483,087
Non-controlling interests	非控股股東權益	34	(61,423)	2,529
TOTAL (DEFICIT) EQUITY	(虧絀)權益總額		(142,340)	485,616

The consolidated financial statements on pages 67 to 217 were approved and authorised for issue by the Board of Directors on 5 January 2024 and are signed on its behalf by:

第67至217頁所載綜合財務報表於二零二四年一月五日經董事會批准及授權刊發，並由下列人士代表董事會簽署：

Lu Yi
盧翊
Director
董事

Ye De Chao
業德超
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔							Non-controlling interests	Total
		Share capital	Share premium	Capital reserve (Note 1)	Capital redemption reserve (Note 2)	Exchange reserve	Accumulated losses	Subtotal		
		股本	股份溢價	資本儲備 (附註1)	贖回儲備 (附註2)	匯兌儲備	累計虧損	小計	非控股股東權益	合共
		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
At 1 January 2020	於二零二零年一月一日	213,496	756,049	72	69	(76,473)	(160,837)	732,376	67,735	800,111
Loss for the year	年內虧損	-	-	-	-	-	(278,857)	(278,857)	(69,640)	(348,497)
Other comprehensive income for the year:	年內其他全面收益:									
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能被重新分類至損益的項目:</i>									
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	18,208	-	18,208	4,434	22,642
Share of other comprehensive income of associates, net of related income tax	應佔聯營公司其他全面收益 (扣除相關所得稅)	-	-	-	-	11,360	-	11,360	-	11,360
Other comprehensive income for the year, net of tax	年內其他全面收益 (扣除稅項)	-	-	-	-	29,568	-	29,568	4,434	34,002
Total comprehensive income (expenses) for the year	年內全面收益 (開支) 總額	-	-	-	-	29,568	(278,857)	(249,289)	(65,206)	(314,495)
At 31 December 2020	於二零二零年十二月三十一日	213,496	756,049	72	69	(46,905)	(439,694)	483,087	2,529	485,616

Consolidated Statement of Changes in Equity

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔								
		Share capital	Share premium	Capital reserve (Note 1)	Capital redemption reserve (Note 2)	Exchange reserve	Accumulated losses	Subtotal	Non-controlling interests	Total
		股本	股份溢價	資本儲備 (附註1)	贖回儲備 (附註2)	匯兌儲備	累計虧損	小計	非控股股東權益	合共
		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
At 1 January 2021	於二零二一年一月一日	213,496	756,049	72	69	(46,905)	(439,694)	483,087	2,529	485,616
Loss for the year	年內虧損	-	-	-	-	-	(581,677)	(581,677)	(64,933)	(646,610)
Other comprehensive income for the year:	年內其他全面收益:									
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能被重新分類至損益的項目:</i>									
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	14,392	-	14,392	981	15,373
Share of other comprehensive income of associates, net of related income tax	應佔聯營公司其他全面收益 (扣除相關所得稅)	-	-	-	-	3,281	-	3,281	-	3,281
Other comprehensive income for the year, net of tax	年內其他全面收益 (扣除稅項)	-	-	-	-	17,673	-	17,673	981	18,654
Total comprehensive income (expenses) for the year	年內全面收益 (開支) 總額	-	-	-	-	17,673	(581,677)	(564,004)	(63,952)	(627,956)
At 31 December 2021	於二零二一年十二月三十一日	213,496	756,049	72	69	(29,232)	(1,021,371)	(80,917)	(61,423)	(142,340)

Notes:

- The capital reserve of the Group represents the excessive injection of the registered capital of a subsidiary.
- Capital redemption reserve represents the nominal value of shares repurchased out of distributable profit.

附註:

- 本集團資本儲備指附屬公司註冊資本之超額注資。
- 資本贖回儲備指以可分派溢利購回股份之面值。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Loss before tax	除稅前虧損	(646,610)	(355,914)
Adjustments for:	就下列作出調整：		
Depreciation of property, plant and equipment and right-of-use assets	物業、廠房及設備以及使用權資產折舊	331	406
Interest income	利息收入	(5)	(307)
Finance costs	財務成本	160,500	12,237
Loss from changes in fair value of investment properties	投資物業公平值變動產生之虧損	24,944	77,892
Impairment losses recognised in respect of property, plant and equipment	就物業、廠房及設備確認之減值虧損	113,999	87,937
Impairment losses under expected credit losses model, net of reversal	預期信貸虧損模式項下的減值虧損（扣除撥回）	192,300	40,723
Loss arising from litigation	訴訟所產生的虧損	11,281	-
Share of results of associates	應佔聯營公司之業績	169,558	144,569
Operating cash flow before movement in working capital	經營資金變動前之經營現金流量	26,298	7,543
(Increase) decrease in trade and other receivables, deposits and prepayments	應收貿易賬款及其他應收款項、按金及預付款項（增加）減少	(44,098)	15,353
Increase in trade and other payables	應付貿易賬款及其他應付款項增加	3,278	4,892
NET CASH (USED IN) FROM OPERATING ACTIVITIES	經營業務（所用）所得現金淨額	(14,522)	27,788
NET CASH FROM INVESTING ACTIVITY	投資業務所得現金淨額		
Interest received	已收利息	5	307
FINANCING ACTIVITIES	融資業務		
Repayment to a substantial shareholder	向一名主要股東償還款項	(4,115)	(3,870)
Repayment of secured loans	償還有抵押貸款	-	(10,000)
Repayment of lease liabilities	償還租賃負債	(369)	(368)
Interest paid	已付利息	-	(2,084)
NET CASH USED IN FINANCING ACTIVITIES	融資業務所用之現金淨額	(4,484)	(16,322)

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值物 (減少) 增加淨額	(19,001)	11,773
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	於年初之現金及現金等值物	18,491	2,024
Effect of foreign exchange rate changes	外幣匯率變動之影響	2,372	4,694
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	於年終之現金及現金等值物	1,862	18,491

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. GENERAL INFORMATION

China Infrastructure Investment Limited (the “Company”) was incorporated in the Cayman Islands on 16 June 1992 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office of the Company in the Cayman Islands is The R&H Trust Co. Ltd., Windward 1, Regatta Office Park, Grand Cayman, Cayman Islands. The address of the registered office and the principal place of business of the Company in Hong Kong was Suite 607, 6/F., Ocean Centre, 5 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong. Subsequent to the reporting period, the registered office and principal place of business of the Company has been changed to Room 705A, 7/F., New East Ocean Centre, 9 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries (together with the Company, the “Group”) are described in Note 34 to the consolidated financial statements.

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

1. 一般資料

中國基建投資有限公司(「本公司」)於一九九二年六月十六日根據開曼群島公司法在開曼群島註冊成立為一間獲豁免有限公司。本公司股份於香港聯合交易所有限公司(「聯交所」)上市。本公司之開曼群島註冊辦事處地址為The R&H Trust Co. Ltd., Windward 1, Regatta Office Park, Grand Cayman, Cayman Islands。本公司之香港註冊辦事處及主要營業地點位於香港九龍尖沙咀廣東道5號海洋中心6樓607室。於報告期間後，本公司註冊辦事處及主要營業地點變更為香港九龍尖沙咀東科學館道9號新東海商業中心7樓705A室。

本公司為一間投資控股公司。其附屬公司(連同本公司，統稱「本集團」)之主要業務於綜合財務報表附註34中列示。

本綜合財務報表以港元(「港元」)呈列，與本公司之功能貨幣相同。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. 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 Group’s annual period beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, Hong Kong Accounting Standard (“HKAS”) 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

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.

2. 應用經修訂之香港財務報告準則（「香港財務報告準則」）

本年度強制生效的香港財務報告準則之修訂本

於本年度，本集團已首次採納下列由香港會計師公會（「香港會計師公會」）頒佈並於二零二一年一月一日或之後開始之本集團年度期間對編製綜合財務報表強制生效之香港財務報告準則之修訂本：

香港財務報告準則第16號（修訂本）	COVID-19相關租金寬免
香港財務報告準則第9號、香港會計準則（「香港會計準則」）第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號（修訂本）	利率基準改革—第二階段

本年度應用香港財務報告準則之修訂本並無對本集團當前與先前年度的財務狀況及表現及／或該等綜合財務報表所披露者構成任何重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts 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) ⁴
Amendments to HKAS 1	Non-current Liabilities with Covenants (2022) ⁵
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

2. 應用經修訂之香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第17號（包括香港財務報告準則第17號之二零二零年十月修訂本及二零二二年二月修訂本）	保險合約 ³
香港財務報告準則第3號（修訂本）	概念框架的提述 ²
香港財務報告準則第10號及香港會計準則第28號（修訂本）	投資者與其聯營公司或合營企業之間的資產出售或注資 ⁴
香港財務報告準則第16號（修訂本）	於二零二一年六月三十日之後的COVID-19相關租金寬免 ¹
香港會計準則第1號（修訂本）	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）的有關修訂 ⁴
香港會計準則第1號（修訂本）	附帶契諾的非流動負債（二零二二年） ⁵
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（修訂本）	會計政策披露 ³
香港會計準則第8號（修訂本）	會計估計之定義 ³
香港會計準則第12號（修訂本）	與單一交易所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（修訂本）	物業、廠房及設備 – 擬定用途前所得款項 ²

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. 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 37	Onerous Contracts – Cost of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 ²
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ⁵
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules ³
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ⁵
Amendments to HKAS 21	Lack of Exchangeability ⁶

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.

⁵ Effective for annual periods beginning on or after 1 January 2024.

⁶ Effective for annual periods beginning on or after 1 January 2025.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company (the “Directors”) 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.

2. 應用經修訂之香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港會計準則第37號（修訂本）	虧損性合約 – 履行合約的成本 ²
香港財務報告準則（修訂本）	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
香港財務報告準則第16號（修訂本）	售後租回之租賃負債 ⁵
香港會計準則第12號（修訂本）	國際稅收改革 – 支柱二立法模板 ³
香港會計準則第7號及香港財務報告準則第7號（修訂本）	供應商融資安排 ⁵
香港會計準則第21號（修訂本）	缺乏交換性 ⁶

¹ 於二零二一年四月一日或之後開始之年度期間生效。

² 於二零二二年一月一日或之後開始之年度期間生效。

³ 於二零二三年一月一日或之後開始之年度期間生效。

⁴ 於待定日期或之後開始之年度期間生效。

⁵ 於二零二四年一月一日或之後開始之年度期間生效。

⁶ 於二零二五年一月一日或之後開始之年度期間生效。

除下文所述之新訂及經修訂香港財務報告準則外，本公司董事（「董事」）預期應用所有其他新訂及經修訂香港財務報告準則將不會對可預見未來的綜合財務報表造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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*

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);
- 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 application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

2. 應用經修訂之香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則第3號（修訂本）*概念框架的提述*

該等修訂本：

- 更新了香港財務報告準則第3號業務合併中的一項提述，使其提述於二零一八年六月發佈的二零一八年財務報告概念框架（「概念框架」），而非財務報表的編製及呈列框架（由二零一零年十月發佈的二零一零年財務報告概念框架取代）；
- 添加一項要求，即對於香港會計準則第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，收購方應採用香港會計準則第37號或香港（國際財務報告詮釋委員會）—詮釋第21號而非採用概念框架來確定其在業務合併中承擔的負債；及
- 添加明確的聲明，即收購方不確認為在業務合併中收購的或然資產。

預期應用該等修訂本不會對本集團的財務狀況及表現產生重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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 “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)*

The 2020 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:

- 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*.
- 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 the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

2. 應用經修訂之香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港會計準則第1號（修訂本）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）的有關修訂（「二零二零年修訂本」）及香港會計準則第1號（修訂本）附帶契諾的非流動負債（「二零二二年修訂本」）

二零二零年修訂本為評估將結算期限延遲至報告日期後最少十二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：

- 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。
- 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，該等修訂本澄清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。

就以遵守契約為條件、自報告日期起計至少遞延12個月結算的權利而言，二零二零年修訂本規定的要求已由二零二二年修訂本修改。二零二二年修訂本規定，只有要求實體於報告期末或之前須遵守的契諾才會影響報告日期後至少十二個月內實體延遲結算負債的權利。僅要求於報告期間後遵守的契諾並不影響報告期末該權利是否存在。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. 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 “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”) (Continued)

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if an entity classifies liabilities arising from loan arrangements as non-current when the entity’s right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

Based on the Group’s outstanding liabilities as at 31 December 2021, the application of the 2020 and 2022 Amendments will not result in reclassification of the Group’s liabilities.

2. 應用經修訂之香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港會計準則第1號（修訂本）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）的有關修訂（「二零二零年修訂本」）及香港會計準則第1號（修訂本）附帶契諾的非流動負債（「二零二二年修訂本」）（續）

此外，二零二二年修訂本規定有關資料的披露規定，即倘實體將貸款安排產生的負債分類為非流動，而當實體延遲結算該等負債的權利受限於實體於報告期間後十二個月內遵守契諾，該等資料能使財務報表的使用者了解負債可能將於報告期間後十二個月內償還的風險。

二零二二年修訂本亦將採納二零二零年修訂本的生效日期推遲至二零二四年一月一日或其後開始的年度報告期間。二零二二年修訂本連同二零二零年修訂本將於二零二四年一月一日或其後開始的年度報告期間生效，允許提早應用。倘實體於二零二二年修訂本發佈後的較早期間應用二零二零年修訂本，該實體亦應於該期間應用二零二二年修訂本。

根據本集團於二零二一年十二月三十一日的未償還負債，應用二零二零年及二零二二年修訂本不會導致重新分類本集團的負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. 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 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

HKAS 1 is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group’s significant accounting policies. The impacts of application, if any, will be disclosed in the Group’s future consolidated financial statements.

2. 應用經修訂之香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港會計準則第1號及香港財務報告準則實務報告第2號（修訂本）會計政策披露

香港會計準則第1號經修訂以「主要會計政策資料」取代「重大會計政策資料」一詞的所有情況。倘連同實體財務報表內其他資料一併考慮，會計政策資料可以合理預期會影響通用財務報表的主要使用者根據該等財務報表所作出的決定，則該會計政策資料屬重大。

該等修訂亦澄清，即使金額不大，但基於相關交易性質、其他事項或情況，會計政策資料仍可屬重大。然而，並非所有與重大交易、其他事項或情況有關的會計政策資料本身均屬重大。倘實體選擇披露非主要會計政策資料，有關資料不得掩蓋主要會計政策資料。

香港財務報告準則實務報告第2號作出重大性判斷（「實務報告」）亦經修訂，以說明實體如何將「四步法重大性流程」應用於會計政策披露及判斷有關會計政策的資料對其財務報表是否屬重大。實務報告已增加指引及範例。

預期應用該等修訂不會對本集團財務狀況或表現產生重大影響，但或會影響本集團主要會計政策的披露。應用該等修訂的影響（如有）於本集團的未綜合財務報表中披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. 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 8 Definition of Accounting Estimates

The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group’s consolidated financial statements.

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 3 to the consolidated financial statements, for leasing transactions in which the tax deductions are attributable to the lease liabilities (please see Note below), the Group applies HKAS 12 requirements to the relevant assets and liabilities separately. Temporary differences on initial recognition of the relevant assets and liabilities are not recognised due to application of the initial recognition exemption.

2. 應用經修訂之香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港會計準則第8號（修訂本）會計估計之定義

該等修訂定義會計估計為「財務報表內存在計量不明朗因素的貨幣金額」。會計政策可能要求財務報表內的項目以涉及計量不明朗因素的方式進行計量，即會計政策可能要求有關項目按無法直接觀察到的貨幣金額進行計量，且必須予以估算。於此情況下，實體應制定會計估計，以達成會計政策載列的目標。制定會計估計涉及使用根據最新可得之可靠資料所作出的判斷或假設。

此外，香港會計準則第8號的會計估計變動的概念予以保留，惟有進一步澄清。

預期應用該等修訂不會對本集團的綜合財務報表產生重大影響。

香港會計準則第12號（修訂本）與單一交易所產生之資產及負債有關之遞延稅項

該等修訂收窄香港會計準則第12號所得稅第15及24段遞延稅項負債及遞延稅項資產的確認豁免範圍，使其不再適用於在初始確認時產生相等應課稅及可扣稅暫時性差額的交易。

誠如綜合財務報表附註3所披露，就稅項扣減歸因於租賃負債（請參閱下文附註）的租賃交易而言，本集團對相關資產及負債分別應用香港會計準則第12號之規定。相關資產及負債於初始確認之暫時性差額，由於應用初始確認豁免，不會予以確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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.

The amendments are effective for the Group’s 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 approximately HK\$268,000 and HK\$296,000 respectively. The Group is still in the 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 accumulated losses (or other component of equity, as appropriate) at the beginning of the earliest comparative period presented.

2. 應用經修訂之香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港會計準則第12號（修訂本）與單一交易所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相關的所有可扣稅及應課稅暫時性差額確認遞延稅項資產（倘應課稅溢利很可能被用作抵銷且可扣稅暫時性差額可被動用時）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的本集團年度報告期間生效，且允許提早應用。於二零二一年十二月三十一日，須予以該等修訂的使用權資產及租賃負債的賬面值分別為約268,000港元及296,000港元。本集團仍在評估應用該等修訂的全面影響。初始應用該等修訂的累積影響將於所呈列的最早比較期間開始時作為對累計虧損期初結餘（或權益的其他組成部分，視情況而定）的調整予以確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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 HKFRSs Annual Improvements to HKFRSs 2018-2020

The annual improvements make amendments to the following standards.

HKFRS 9 Financial Instruments

The amendment clarifies that for the purpose of assessing whether modification of terms of original financial liability constitutes substantial modification under the “10 per cent” test, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other’s behalf.

HKFRS 16 Leases

The amendment to Illustrative Example 13 accompanying HKFRS 16 removes from the example the illustration of reimbursement relating to leasehold improvements by the lessor in order to remove any potential confusion.

2. 應用經修訂之香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）

香港財務報告準則（修訂本）香港財務報告準則二零一八年至二零二零年之年度改進

年度改進對下列準則作出修訂。

香港財務報告準則第9號金融工具

該修訂澄清，為評估在「10%」測試下對原有金融負債條款的修訂是否構成實質性修訂，借款人僅計入在借款入與貸款人之間已支付或收取的費用，包括由借款人或貸款人代表對方支付或收取的費用。

香港財務報告準則第16號租賃

附隨香港財務報告準則第16號對示例第13號的修訂從示例中刪除了關於出租人進行租賃物業裝修的補償的說明，以消除任何潛在混淆。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. BASIS OF PREPARATION 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 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 of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

As stated in the consolidated financial statements, the Group reported loss attributable to the owners of the Company of approximately HK\$581,677,000 for the year ended 31 December 2021 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$173,265,000 and the Group had net liabilities of approximately HK\$142,340,000, in which interest-bearing borrowing and the respective interest payable and redemption premium amounted to approximately HK\$115,000,000 and HK\$195,414,000 respectively, while its cash and cash equivalents only amounted to approximately HK\$1,862,000. In additions, due to an array of epidemic prevention measures including lockdown measures implemented by the PRC government due to the COVID-19, the business operation of the Group was inevitably affected. These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

3. 綜合財務報表編製基準及主要會計政策

3.1 綜合財務報表編製基準

綜合財務報表乃根據香港會計師公會頒佈的香港財務報告準則編製。就編製綜合財務報表而言，如果合理預期某資料會影響主要用戶的決策，則該資料被視為屬重大。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例所規定的適用披露事項。

誠如綜合財務報表所呈列，本集團呈報截至二零二一年十二月三十一日止年度之本公司擁有人應佔虧損約581,677,000港元，截至該日，本集團的流動負債超出流動資產約173,265,000港元，及本集團負債淨額約142,340,000港元，其中計息借款以及相關應付利息及償還溢價分別約為115,000,000港元及195,414,000港元，而其現金及現金等值物僅約為1,862,000港元。此外，由於中國政府因COVID-19疫情採取的封鎖措施等一系列疫情防控措施，本集團的業務營運不可避免地受到影響。該等狀況表明存在可能對本集團持續經營能力產生重大疑慮的重大不確定性，因此，本集團未必能於日常業務過程中變現資產及履行責任。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Directors have given careful consideration to future liquidity and performance of the Group and its available sources. The Directors have been taken and are taking certain measures to manage its liquidity needs and to improve its financial position which includes but not limited to:

(i) Developing existing business

The Group's existing business is operating as usual and the Company is endeavor to improve the Group's operating results and cash flows by focusing on the existing businesses of the Group and will expand the existing business internationally.

(ii) Exploring business opportunities

In addition to development of the existing business, the Company will also explore different business opportunities in order to increase cash inflow for the Group to improve the financial position of the Company.

(iii) Repaying outstanding liabilities and collecting account receivables

The Company is actively negotiating with relevant parties and will use its best endeavor to repay the outstanding liabilities. Additionally, the Company is actively collecting its account receivables from relevant parties to improve the financial position of the Group.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.1 綜合財務報表編製基準 (續)

董事已審慎考慮本集團未來的流動資金及表現及其可用資金來源。董事已經並正在採取若干措施管理流動資金需求及改善財務狀況，該等措施包括但不限於：

(i) 發展現有業務

本集團現有業務照常運營，且本公司通過專注於本集團現有業務來致力提高本集團經營業績及現金流量，並將在國際上拓展現有業務。

(ii) 探索商業機遇

除發展現有業務外，本公司還將探索各種商業機遇，以增加本集團的現金流入，從而改善本公司的財務狀況。

(iii) 償還未償債務及收回應收賬款

本公司正積極與相關方磋商，並將竭力償還未償債務。此外，本公司正積極收回應收相關方賬款，從而改善本集團的財務狀況。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(iv) Enforcing cost-saving measures

The Company will use its best endeavours to minimise its expenses including but not limited to administrative expenses as well as operating costs.

(v) Loan capitalisation

The Company is in negotiation with the creditor(s) of the Group in relation to potential capitalisation of the debt. It will not only reduce the debt but also will increase the shareholder base for the Company.

(vi) Potential fund-raising activities

The Group is actively seeking opportunities for fund-raising such as rights issue, placing of new shares, issue of new shares and/or convertible bonds, depending on the prevailing market conditions and the development of the Group's businesses.

Provided that the above measures are successfully implemented and improve the financial position of the Group, the Directors believe that the Group will have sufficient cash resources to satisfy its future working capital and other financial needs. Accordingly, the consolidated financial statements for the year ended 31 December 2021 have been prepared on a going concern basis.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.1 綜合財務報表編製基準 (續)

(iv) 實施成本節約措施

本公司將竭力減少開支，包括但不限於行政開支及經營成本。

(v) 貸款資本化

本公司正就潛在債務資本化與本集團的債權人進行磋商。此舉不僅能減少債務，還能鞏固本公司的股東基礎。

(vi) 潛在籌資活動

本集團正積極尋求籌資機會，如供股、配售新股、發行新股及／或可換股債券，具體取決於當前市況及本集團業務的發展情況。

倘上述措施成功實施並改善本集團的財務狀況，董事相信本集團將有充足現金資源可滿足未來營運資金及其他財務需求。因此，截至二零二一年十二月三十一日止年度的綜合財務報表乃以持續經營基準編製。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The consolidated financial statements do not include any adjustments that would result from the failure of the Group to obtain sufficient future funding. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to reduce the carrying amounts of the assets of the Group to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

The consolidated financial statements have been prepared on the historical cost basis except for the investment properties that are measured at fair value 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.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.1 綜合財務報表編製基準 (續)

綜合財務報表並不包括本集團未能取得充足未來資金而導致的任何調整。倘本集團無法繼續按持續經營基準經營，則須作出調整以將本集團資產的賬面值減至其可收回金額，為可能產生的進一步負債計提撥備，並將非流動資產及負債分別重新分類為流動資產及負債。

綜合財務報表乃按歷史成本基準編製，惟如下文所載之會計政策所闡釋，於各報告期末按公平值計量之投資物業除外。

歷史成本一般按交換貨品及服務時給予代價的公平值計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. BASIS OF PREPARATION 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*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases*, 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*.

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

For investment properties which are transacted at fair value and a valuation technique that unobservable inputs are 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.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.1 綜合財務報表編製基準 (續)

公平值為於計量日市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付的價格，而不論該價格是否可使用其他估值方法直接可觀察或估計。於估計資產或負債的公平值時，本集團會考慮市場參與者於計量日對資產或負債定價時所考慮的資產或負債的特點。綜合財務報表中作計量及／或披露用途的公平值乃按此基準釐定，惟香港財務報告準則第2號「以股份為基礎的付款」範疇內以股份為基礎的付款交易、根據香港財務報告準則第16號「租賃」計量的租賃交易，以及與公平值相似但並非公平值的計量（如香港會計準則第2號「存貨」中的可變現淨值或香港會計準則第36號「資產減值」中的使用價值）除外。

對非金融資產的公平值計量，考慮市場參與者以最有效方式及最佳用途使用該資產或者將該資產出售給能夠以最有效方式及最佳用途使用的其他市場參與者以產生經濟利益的能力。

按公平值轉讓之投資物業，凡於其後期間應用以不可觀察數據計量公平值之估值方法，估值方法應予校正，以致估值方法之結果相等於交易價格。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.1 綜合財務報表編製基準 (續)

此外，就財務報告而言，公平值計量分為第一級別至第三級別，此等級別之劃分乃根據其數據的可觀察程度及該數據對公平值計量的整體重要性，概述如下：

- 第一級別數據指該實體於計量日期由活躍市場上相同資產或負債獲得的標價（未經調整）；
- 第二級別數據指除第一級別所包含之標價以外，可直接或間接從觀察資產或負債之資料而得出的數據；及
- 第三級別數據指該數據不可從觀察資產或負債的資料而獲得。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. BASIS OF PREPARATION 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.

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

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策

綜合基準

綜合財務報表包括本公司及本公司以及其附屬公司控制的實體的財務報表。倘屬以下情況，則本公司取得控制權：

- 有權控制被投資方；
- 須承受或擁有自參與被投資方營運所得可變回報的風險或權利；及
- 有能力運用其權力以影響其回報。

倘事實及情況表明上述三項控制權要素的一項或以上出現變動，本集團會重新評估其是否對被投資方擁有控制權。

附屬公司賬目於本集團取得對附屬公司控制權時開始綜合入賬，並於本集團失去對附屬公司控制權時終止。尤其是，於年內收購或出售附屬公司的收入及開支會於本集團取得控制權當日起直至本集團終止附屬公司控制權當日止期間計入綜合損益及其他全面收益表。

溢利或虧損及其他全面收益的各個項目均歸屬於本公司擁有人及非控股股東權益。附屬公司的全面收益總額歸屬於本公司擁有人及非控股股東權益，即使此舉會導致非控股股東權益的餘額出現虧蝕。

於必要時會對附屬公司的財務報表作出調整，以使其會計政策與本集團的會計政策一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation (Continued)

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.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) 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 group 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.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

綜合基準 (續)

本集團成員公司間交易有關的所有集團內部資產及負債、權益、收入、開支及現金流量於綜合時悉數對銷。

附屬公司的非控股股東權益與本集團於當中的權益分開呈列，而該等權益代表其持有人於清盤時有權按相關附屬公司的資產淨值比例分配現有所有權權益。

商譽

收購業務產生之商譽，按收購該業務之日所定成本（見上文會計政策）減累計減值虧損（如有）列賬。

就減值測試而言，商譽分配至預期從合併之協同效應中受益之本集團各個現金產生單位（或現金產生單位組別），指商譽為內部管理而監控的最低水平，不大於一個經營分部。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. BASIS OF PREPARATION 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 is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets 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.

3. 綜合財務報表編製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) 按年或當有跡象顯示單位可能出現減值時更加頻繁進行減值測試。就於某個報告期間因收購產生的商譽而言，獲分配有關商譽的現金產生單位 (或現金產生單位組別) 會於該報告期末前測試減值。倘可收回金額少於單位之賬面值，則首先將減值虧損分配，扣減任何商譽的賬面值，而其後則按單位 (或現金產生單位組別) 內各資產的賬面值按比例分配至該單位的其他資產。

出售相關現金產生單位或現金產生單位組別內任何現金產生單位時，釐定出售損益金額時會計入商譽應佔金額。當本集團出售現金產生單位 (或現金產生單位組別內現金產生單位) 內的業務時，所出售商譽金額按所出售業務 (或現金產生單位) 與所保留現金產生單位 (或現金產生單位組別) 部分的相對價值計量。

本集團有關收購聯營公司而產生之商譽之政策載於下文。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. BASIS OF PREPARATION 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 associates. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. 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.

3. 綜合財務報表編製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

聯營公司指本集團能對其行使重大影響力之實體。重大影響力指可參與受投資公司之財務及營運決策但不能控制或共同控制該等政策之權力。

聯營公司之業績以及資產及負債乃使用權益會計法計入此等綜合財務報表內。用於權益會計用途的聯營公司財務報表乃採用與本集團在類似情況下發生的類似交易和事件一樣的統一會計政策編製。根據權益法，於聯營公司之投資最初按成本於綜合財務狀況表內確認，並於其後作出調整以確認本集團分佔聯營公司之損益及其他全面收益。損益及其他全面收益以外的聯營公司資產淨值變動將不會入賬，除非有關變動導致本集團持有的擁有權權益出現變動則作別論。倘本集團應佔聯營公司之虧損超過其於該聯營公司之權益（包括任何實質上構成本集團於該聯營公司之淨投資一部分之任何長期權益），則本集團會終止確認其應佔之其後虧損。僅當本集團已產生法定或推定責任或代表該聯營公司支付款項時，本集團方會確認額外虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. BASIS OF PREPARATION 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 investment 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.

3. 綜合財務報表編製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)

於聯營公司的投資自被投資公司成為聯營公司當日起採用權益法入賬。收購於聯營公司之投資時，投資成本高出本集團分佔被投資公司的可識別資產及負債公平淨值的任何差額確認為商譽，計入投資的賬面值。經重新評估後，本集團分佔可識別資產及負債公平淨值高出投資成本的任何差額即時於收購投資期間之損益內確認。

本集團評估是否存在客觀證據顯示於一間聯營公司之權益可能存在減值。如存在任何客觀證據，該項投資（包括商譽）之全部賬面值會根據香港會計準則第36號以單項資產之方式進行減值測試，方法是比較其可收回金額（即使使用價值與公平值減出售成本之較高者）與賬面值。任何已確認惟尚未分配至任何資產（包括商譽）之減值虧損構成該項投資之賬面值之一部分，有關減值虧損之任何撥回於該項投資之可收回金額其後增加之情況根據香港會計準則第36號確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Interests in associates (Continued)

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When a group entity transacts with an associate, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3. 綜合財務報表編製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)

當本集團對聯營公司不再擁有重大影響力，則以出售被投資公司全部股權列賬，所產生之收益或虧損會於損益確認。倘本集團保留於前聯營公司之權益且該保留權益為香港財務報告準則第9號範圍內的金融資產，則本集團會於該日按公平值計量保留權益，而該公平值會視為於初始確認時之公平值。聯營公司之賬面值與任何保留權益及出售聯營公司相關權益之任何所得款項公平值間之差額，會於釐定出售該聯營公司之收益或虧損時入賬。此外，本集團會將先前在其他全面收益就該聯營公司確認之所有金額入賬，基準與該聯營公司直接出售相關資產或負債所需基準相同。因此，倘該聯營公司先前已於其他全面收益確認之收益或虧損，會於出售相關資產或負債時重新分類至損益，本集團會於出售／部分出售相關聯營公司時將收益或虧損由權益重新分類至損益賬（作為重新分類調整）。

倘一間集團實體與一間聯營公司進行交易，則綜合財務報表確認與該聯營公司交易所產生之損益時，僅限於該聯營公司與本集團以外之權益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Interests in associates (Continued)

Changes in the Group's interests in associates

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Acquisition of additional interests in associates

When the Group increases its ownership interest in an associate or a joint venture but the Group continues to use the equity method, goodwill is recognised at acquisition date if there is excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates acquired. Any excess of share of carrying amount of net assets attributable to the additional interests in associates acquired over the consideration paid are recognised in the profit or loss in the period in which the additional interest are acquired.

3. 綜合財務報表編製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)

本集團於聯營公司的權益之變動

當於一間聯營公司之投資成為於一間合營企業之投資時或當於一間合營企業之投資成為於一間聯營公司之投資時，本集團會繼續採用權益法。於擁有權權益出現變動時不會重新計量公平值。

當本集團削減於一間聯營公司之擁有權權益但繼續採用權益法時，倘過往於其他全面收益所確認與削減擁有權權益有關之部分盈虧會於出售相關資產或負債時重新分類至損益，則本集團會將該盈虧重新分類至損益。

收購於聯營公司的額外權益

當本集團增加其於聯營公司或合營企業的所有權權益但同時繼續使用權益法時，倘已付代價超逾分佔所收購聯營公司額外權益應佔淨資產賬面值之部分，商譽會於收購日確認。倘分佔所收購聯營公司額外權益應佔淨資產賬面值之部分超逾已付代價，則超逾部分於收購額外權益期間在損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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 goods 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.

3. 綜合財務報表編製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

本集團於履約責任獲履行時確認收入，即當與特定履約責任相關的商品或服務的「控制權」轉讓予客戶時。

履約責任指個別的商品或服務（或一組商品或服務）或一系列大致相同的個別商品或服務。

倘符合以下其中一項標準，則控制權隨時間轉移，而收入則參照完全履行相關履約責任的進展情況而隨時間確認：

- 於本集團履約時，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團的履約產生或提升一項資產，而該項資產於本集團履約時由客戶控制；或
- 本集團的履約並未產生讓本集團有替代用途的資產，且本集團對迄今已完成履約的付款具有可強制執行的權利。

否則，收入於客戶獲得個別商品或服務控制權的時間點確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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 asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group's performance completed to date, the Group recognises revenue in the amount to which the Group has the right to invoice.

3. 綜合財務報表編製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)

合約資產指本集團就交換本集團已向客戶轉移的貨品或服務收取代價的有條件權利。合約資產按照香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即代價到期付款前僅需時間推移。

合約負債指本集團因已向客戶收取代價（或已到期收取代價），而須向客戶轉讓商品或服務的責任。

與同一合約相關之合約資產及合約負債以淨額基準入賬及呈列。

隨時間確認收益：完成滿足履約義務進度的計量

產出法

完全滿足履約義務進度乃基於產出法計量，即基於迄今為止向客戶轉移的商品或服務相對於合約下承諾之剩餘商品或服務的價值直接計量，以確認收益，此最佳反映本集團在轉移商品或服務控制權方面的履約義務完成程度。

作為一種可行權宜方法，倘本集團有權以與本集團迄今已完成的履約義務的價值直接對應的金額收取代價，則本集團以本集團有權開具發票的金額確認收益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation (Continued)

Sale with a right of return/exchange

For a sale of products with a right of return/exchange for dissimilar products, the Group recognises all of the following:

- (a) revenue for the transferred products in the amount of consideration to which the Group expects to be entitled (therefore, revenue would not be recognised for the products expected to be returned/exchanged);
- (b) a refund liability/contract liability; and
- (c) an asset (and corresponding adjustment to cost of sales) for its right to recover products from customers and are presented as right to returned goods asset.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

隨時間確認收益：完成滿足履約義務進度的計量 (續)

具有退回／交換權利的銷售

對於具有退回／交換不同產品權利的產品銷售，本集團確認以下各項：

- (a) 轉讓產品的收入，即本集團預期有權獲得的代價金額（因此，不會確認預期退回／交換的產品收入）；
- (b) 退款負債／合約負債；及
- (c) 從客戶收回產品的權利（以及對銷售成本的相應調整）並作為退貨權的資產呈列。

委託人與代理人

當另一方參與向客戶提供商品或服務時，本集團確定其承諾的性質是否為履行義務，以自行提供指定的商品或服務（即本集團為委託人）或安排由另一方（即本集團為代理人）提供的該等商品或服務。

如果在將指定商品或服務轉移給客戶之前控制了指定商品或服務，則本集團為委託人。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Principal versus agent (Continued)

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

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 of HKFRS 16 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.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

委託人與代理人 (續)

如果本集團的履約義務是安排由另一方提供指定的商品或服務，則本集團為代理人。在此情況下，本集團在將由另一方提供的指定商品或服務轉移給客戶之前無法控制指定商品或服務。當本集團作為代理人時，其將確認收入金額為其期望獲得的任何費用或佣金以換取安排由另一方提供的指定商品或服務。

租賃

租賃的定義

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

就於首次應用香港財務報告準則第16號日期或之後訂立或修改或因業務合併而引致的合約而言，本集團根據香港財務報告準則第16號的定義於開始、修訂日期或收購日期（視何者合適而定）評估該合約是否屬於或包含租賃。除非合約的條款及條件其後出現變動，否則有關合約將不予重新評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. BASIS OF PREPARATION 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.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term lease and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases, e.g. motor vehicles/machinery and equipment, if no applying to all lease that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

3. 綜合財務報表編製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

將代價分攤至合約的各組成部分

倘合約包含一個租賃組成部分以及一個或多個額外的租賃或非租賃組成部分，則本集團應基於租賃組成部分的相關單獨價格及非租賃組成部分的單獨價格總和，將合約代價分配至各個租賃組成部分，包括收購一項物業（包括租賃土地及非租賃樓宇組成部分）的擁有權的合約，除非未能作出可靠分配。

本集團採用實際權宜方法，不將非租賃組成部分與租賃組成部分分開，而是將租賃組成部分及任何相關非租賃組成部分作為單一租賃組成部分入賬。

短期租賃及低價值資產租賃

本集團對租期自開始日期起計為十二個月或以下且不含購買選擇權的租賃應用短期租賃確認豁免（如不適用於所有租賃，則汽車／機器及設備）。其亦對低價值資產的租賃應用確認豁免。短期租賃及低價值資產租賃的租賃付款於租期內使用直線法或另一系統基準確認為開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. BASIS OF PREPARATION 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 and conditions of the lease.

Except for those that are classified as investment properties and measured under fair value model, 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 in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

3. 綜合財務報表編製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

使用權資產的成本包括：

- 初始計量租賃負債的金額；
- 於開始日期或之前作出的任何租賃付款扣除任何已收租賃優惠；
- 本集團產生的任何初始直接成本；及
- 本集團於拆除及拆遷相關資產、復原相關資產所在場地或復原相關資產至租賃的條款及條件所規定的狀況時估計產生的成本。

除歸類為投資物業且按公平值模型計量者外，使用權資產按成本減去任何累計折舊與減值虧損後的金額進行計量，並就租賃負債的任何重新計量進行調整。

本集團於租期結束時合理確定可獲取相關租賃資產所有權的使用權資產，自開始日期起至使用年期結束期間計提折舊。此外，使用權資產按直線法於其估計可使用年期及租期（以較短者為準）內計提折舊。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. BASIS OF PREPARATION 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 (Continued)

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position. Right-of-use assets that meet the definition of investment property are presented within “land use rights” including in investment properties.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 *Financial Instruments* 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.

3. 綜合財務報表編製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 (續)

本集團於綜合財務狀況表內將使用權資產呈列為獨立項目。符合投資物業定義的使用權資產於計入投資物業的「土地使用權」內呈列。

可退還租金按金

已支付可退還租金按金根據香港財務報告準則第9號「金融工具」記賬，並初步按公平值計量。初始確認時對公平值的調整被視為額外租賃付款，並計入使用權資產的成本。

租賃負債

於租賃開始日期，本集團以於該日期尚未支付的租賃付款的現值確認並計量租賃負債。倘租賃隱含的利率不易釐定，則本集團會使用於租賃開始日期的遞增借款利率計算租賃付款現值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. BASIS OF PREPARATION 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 lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

3. 綜合財務報表編製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)

租賃付款包括：

- 固定付款 (包括實質固定付款) 減任何應收租賃優惠；
- 取決於指數或利率的可變租賃付款，採用開始日期的指數或利率進行初始計量；
- 剩餘價值擔保下預期本集團應支付的款項；
- 能合理確定將由本集團行使的購買權行使價；及
- 為終止租賃而支付的罰款 (倘租賃期反映本集團正行使終止租賃權)。

於開始日期後，租賃負債根據利息增長及租賃款項作出調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases (Continued)

The Group as a lessee (Continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, 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/ expected payment under a guaranteed residual value, 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.

3. 綜合財務報表編製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)

倘出現以下情況，本集團重新計量租賃負債（並就相關使用權資產作出相應調整）：

- 租賃期有所變動或行使購買選擇權的評估發生變化，於該情況下，相關租賃負債於重新評估日期透過使用經修訂貼現率貼現經修訂租賃付款而重新計量。
- 租賃付款因市場租金率於市場租金審核／根據保證剩餘價值預期付款後有所變動而發生變化，於此情況下，相關租賃負債透過使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將租賃負債呈列為獨立項目。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

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 lease.

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 except for investment properties measured under fair value model.

Rental income which are derived from the Group's ordinary course of business are 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.

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The Sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

3. 綜合財務報表編製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

租賃分類及計量

本集團作為出租人的租賃分類為融資或經營租賃。當租賃條款將相關資產擁有權附帶的絕大部分風險及回報轉移至承租人時，該合約分類為融資租賃。所有其他租賃均分類為經營租賃。

經營租賃之租金收入乃按相關租期以直線法於損益賬內確認。於協商及安排經營租賃時引致之初步直接成本乃加至租賃資產之賬面值，有關成本按租期以直線法確認為開支，惟按公平值模型計量的投資物業除外。

本集團一般業務過程中產生的租金收入呈列為收益。

可退回租賃按金

已收取可退回租賃按金根據香港財務報告準則第9號入賬，並初步按公平值計量。於首次確認時對公平值作出的調整被視為來自承租人的額外租賃款項。

轉租賃

本集團作為中介出租人，將原租賃及轉租賃作為兩個合同單獨核算。經參考原租賃產生的使用權資產而非相關資產，轉租賃分類為融資租賃或經營租賃。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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 in associates.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

外幣

於編製各個別集團實體之財務報表時，以該實體之功能貨幣以外之貨幣（外幣）進行之交易乃按於交易日期之匯率確認。於報告期末，以外幣定值之貨幣項目乃按該日之匯率重新換算。以外幣定值按公平值入賬之非貨幣項目乃按釐定公平值日期之匯率重新換算。按外幣過往成本計量之非貨幣項目毋須重新換算。

因結算貨幣項目及重新換算貨幣項目而產生之匯兌差額在產生當期之損益賬確認，惟不包括應收或應付海外業務之貨幣項目之匯兌差額，而其既無計劃結算或不大可能結算（因此構成海外業務淨投資之一部分），並於其他全面收益內初始確認及於出售或部分出售本集團於聯營公司的權益時從權益重新分類至損益賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Foreign currencies (Continued)

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. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interest as appropriate).

On the disposal of a foreign operation (that is, 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, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), 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 that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

外幣 (續)

就呈列綜合財務報表而言，本集團業務之資產及負債均以各報告期末之適用匯率換算為本集團之呈列貨幣（即港元）。收入及開支項目以期內平均匯率換算，除非期內匯率大幅波動則另作別論，在該等情況下，則會採用交易當日的匯率。所產生之匯兌差額（如有）則於其他全面收益中確認，並在權益的匯兌儲備項下累計（適當分配至非控股股東權益）。

於出售海外業務（即出售本集團於海外業務之全部權益或涉及失去對一間附屬公司（包括海外業務）之控制權之出售、或部分出售於包含海外業務（其保留權益成為金融資產）之聯營公司之權益）時，就本公司擁有人應佔該業務而於權益內累計之所有匯兌差額重新分類至損益賬。

此外，有關並未導致本集團失去附屬公司控制權之部分出售附屬公司，則按此比例將累計匯兌差額重新歸類為非控股股東權益，而並不於損益賬內確認。就所有其他部分出售（即不會引致本集團失去重大影響力之聯營公司部分出售）而言，按比例分佔之累計匯兌差額重新分類至損益賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. BASIS OF PREPARATION 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 the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

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”.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

外幣 (續)

收購海外業務產生之已收購可識別資產商譽及公平值調整，被視為該海外業務之資產及負債，並按各報告期末適用之匯率換算。由此產生之匯兌差額於其他綜合收益內確認。

借貸成本

所有借貸成本於其產生期間在損益中確認。

政府補貼

政府補貼須待有合理保證本集團將符合政府補貼附帶條件且將會領取有關補貼後方予確認。

政府補貼乃於本集團將擬補償的相關成本確認為開支的期間按系統基準於損益確認。

有關作為補償已產生開支或虧損而應收或為本集團提供即時財務支援且並無相關未來成本之收入之政府補貼於有關款項成為應收期間於損益內確認。該等補貼於「其他收入」項下呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Employee benefits

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (the “MPF Scheme”), state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term employee benefits and other long-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, annual leave and sick leave) after deducting any amount already paid.

3. 綜合財務報表編製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

當僱員已提供服務並享有退休供款時，該等支付予強制性公積金計劃（「強積金計劃」）及國家管理退休福利計劃之供款會被確認為開支。

終止僱用福利

終止僱用福利的負債於集團實體不能取消提供終止僱用福利時及其確認任何有關重組成本時（以較早者為準）確認。

短期僱員福利及其他長期僱員福利

短期僱員福利按在僱員提供服務時預期支付的福利的未貼現金額確認。所有短期僱員福利均被確認為開支，除非另有香港財務報告準則要求或允許在資產成本中納入福利。

經扣除任何已付金額後，僱員應得的福利（例如工資及薪金、年假及病假）確認為負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Employee benefits (Continued)

Short-term employee benefits and other long-term employee benefits (Continued)

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

僱員福利 (續)

短期僱員福利及其他長期僱員福利 (續)

就其他長期僱員福利確認之負債按本集團就僱員截至報告日期止所提供服務預期將作出之估計未來現金流出之現值計量。因服務成本、利息及重新計量而產生之負債賬面值之任何變動於損益確認，惟倘另一項香港財務報告準則規定或允許將該等項目納入資產成本則作別論。

稅項

所得稅開支指即期及遞延所得稅開支的總和。

即期應付稅項是根據本年度之應課稅溢利計算。應課稅溢利與除稅前虧損存在差異是由於應課稅溢利不包括其他年度之應課稅收入或可扣稅支出項目，且不包括永遠毋須課稅及不可扣稅項目。本集團的即期稅項負債按報告期末已頒佈或實質頒佈的稅率計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(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 bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary 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 tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of 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 and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

稅項 (續)

遞延稅項乃根據綜合財務報表中資產及負債之賬面值及用於計算應課稅溢利的相應稅基之間的暫時差額確認。一般情況下，所有因應課稅暫時差額而產生之遞延稅項負債均予確認。遞延稅項資產一般按所有可扣稅暫時差額確認，惟須以將很可能有應課稅溢利可使用該等可扣稅者時差額予以抵扣為限。如暫時差額是因某交易初次確認（業務合併除外）其他資產及負債而產生，又不影響應課稅溢利及會計溢利，則不予以確認此等遞延稅項資產及負債。此外，倘暫時差額在初始確認商譽時產生，則遞延稅項負債將不予確認。

除非本集團可控制有關暫時差額之回撥及暫時差額在可見將來都不可能回撥，否則遞延稅項負債均須就於附屬公司及聯營公司之投資有關之應課稅暫時差額予以確認。與該等投資及權益相關的可扣稅暫時差額產生之遞延稅項資產僅於可能有足夠應課稅溢利用以動用暫時差額利益及預期於可預見將來可撥回時予以確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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 each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax 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 except for freehold land, which is always presumed to be recovered entirely through sale.

3. 綜合財務報表編製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值於各報告期末檢討，並扣減至當不再可能有足夠應課稅溢利讓所有或部分遞延稅項資產被收回止。

遞延稅項資產及負債乃按預期於負債獲償還或資產獲變現期間適用之稅率（以報告期末已頒佈或實質上已頒佈之稅率（及稅法）為基準）計算。

遞延稅項負債及資產的計算，反映了本集團於報告期末所預期對收回或償還其資產及負債之賬面值的方式所產生的稅務結果。

就計量遞延稅項而言，利用公平價值模型計量的投資物業之賬面值乃假設通過銷售全數收回，除非該假設被推翻則除外。當投資物業可予折舊及於業務模式（其目標是隨時間而非透過銷售消耗投資物業所包含的絕大部分經濟利益）內持有時，有關假設會被推翻，惟永久業權土地一直推定為可透過銷售悉數收回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. BASIS OF PREPARATION 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 right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

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 are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

稅項 (續)

就計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延稅項而言，本集團首先確定稅項扣減應歸屬於使用權資產還是租賃負債。

對於稅項扣減應歸屬於租賃負債的租賃交易，本集團分別對使用權資產和租賃負債應用香港會計準則第12號「所得稅」的要求。由於應用初始確認豁免，故不會確認有關使用權資產及租賃負債於初始確認時之暫時差額。其後修訂使用權資產及租賃負債賬面值、重新計量租賃負債及租賃修訂產生的暫時差額（不適用於初始確認豁免），於重新計量或修訂日期確認入賬。

遞延稅項資產及負債可在即期稅項資產及即期稅項負債具依法強制執行權利，以及其與同一課稅機關向同一課稅實體徵收的所得稅有關時互相抵銷。

即期及遞延稅項於損益中確認，惟當其與於其他全面收益或直接於權益中確認的項目有關則除外，在該情況下，即期及遞延稅項亦分別於其他全面收益或直接於權益中確認。倘即期稅項或遞延稅項因業務合併的初步會計處理而產生，則有關稅務影響計入業務合併的會計處理。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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 construction in progress 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.

Property, plant and equipment 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, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such proceeds of items that are measured in accordance within the measurement requirement of HKAS 2. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. 綜合財務報表編製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、廠房及設備乃持作用於生產或供應產品或服務或作行政用途之有形資產(下文所述在建工程除外)。物業、廠房及設備按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表中列賬。

用於生產、供應或行政用途之在建物業、廠房及設備以成本減任何已確認減值虧損列賬。成本包括直接歸因於將資產轉移至能夠以管理層預期的方式經營所必需的位置和條件的任何成本(包括測試有關資產是否正常運作的成本)及,就合資格資產而言,包括根據本集團會計政策資本化的借貸成本。有關項目所得款項乃根據香港會計準則第2號的計量規定計量。與其他物業資產之基準一樣,該等資產於可用作擬定用途時開始折舊。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment (Continued)

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 presented as “right-of-use assets” in the consolidated statement of financial position except for these 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.

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.

3. 綜合財務報表編製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)

本集團就包括租賃土地及建築物要素的物業的擁有權權益作出付款時，全部代價按初始確認時的相對公平值之比在租賃土地和建築物要素之間分配。在能可靠地分配相關付款的情況下，租賃土地的權益於綜合財務狀況表中作為「使用權資產」呈列，惟歸類為投資物業且按公平值模型計量者除外。倘代價無法在相關租賃土地的非租賃樓宇部分與未分割權益之間可靠分配時，整項物業會分類為物業、廠房及設備。

資產（在建物業除外）之折舊乃按其估計可使用年期以直線法撇銷成本減殘值確認。於各報告期末，均會檢討估計可使用年期、殘值及折舊方法，而估計之任何改變的影響按未來使用基準入賬。

物業、廠房及設備項目於出售或當預期持續使用該資產不再帶來未來經濟利益時終止確認。出售或廢棄物業、廠房及設備項目產生之任何收益或虧損按出售所得款項與資產賬面值間之差額計算，並於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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 also included leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, 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 disposal. A leased property which is recognised as a right-of-use assets is derecognised if the Group as intermediate lessor classifies the sublease as a finance lease. 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 profit or loss in the period in which the property is derecognised.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

投資物業

投資物業為持有以賺取租金及／或資本增值的物業。

投資物業亦包括正確認為使用權資產並由本集團根據經營租賃轉租的租賃物業。

投資物業初步按成本（包括直接應佔開支）計量。初始確認後，投資物業按公平值計量，經調整至不包括任何預付或累計經營租賃收入。

投資物業公平值變動產生之收益或虧損計入其產生期間的損益內。

投資物業於出售時或投資物業永久不再適用且預計出售不會產生未來經濟利益時終止確認。倘本集團（作為中介出租人）將轉租分類為一項融資租賃，則確認為使用權資產的租賃物業將予以終止確認。終止確認相關物業產生的任何收益或虧損（乃按出售所得款項淨額與該資產賬面值間之差額計算）於相關物業終止確認期間計入損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment on property, plant and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, and right-of-use assets 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).

The recoverable amount of property, plant and equipment, and right-of-use 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.

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.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

物業、廠房及設備及使用權資產之減值

於報告期末，本集團會對其有限可使用年期之物業、廠房及設備及使用權資產賬面值作出審閱，以釐定該等資產是否出現任何減值虧損跡象。倘出現有關跡象，則估計相關資產之可收回金額，以釐定減值虧損（如有）之程度。

物業、廠房及設備及使用權資產的可收回金額進行分別估計。倘未能單獨估計可收回金額，則本集團估計該資產所屬之現金產生單位之可收回金額。

於進行現金產生單位的減值測試時，該等企業資產於可建立合理和一致分配基準時分配至相關現金產生單位，或另行分配至可建立合理和一致分配基準的最小組別現金產生單位。可收回金額就企業資產所屬現金產生單位或現金產生單位組別釐定，並與相關現金產生單位或現金產生單位組別的賬面價值進行比較。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment on property, plant and equipment and right-of-use assets (Continued)

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.

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.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

物業、廠房及設備及使用權資產之減值 (續)

可收回金額是指公平值減去出售成本後的餘額及使用價值兩者中的較高者。在評估使用價值時，估計未來現金流量會採用除稅前貼現率貼現為其現值，該除稅前貼現率應反映對貨幣時間價值的當前市場評估及該資產（或現金產生單位）特有的風險（未針對該風險調整估計未來現金流量）。

當某資產（或現金產生單位）的可收回金額估計比賬面值小時，資產（或現金產生單位）的賬面值乃調低至其可收回金額。就無法按合理一致基準分配至現金產生單位的企業資產或部分企業資產而言，本集團會比較現金產生單位組別的賬面值（包括已分配至該現金產生單位組別的企業資產或部分企業資產的賬面值）與該現金產生單位組別的可收回金額。於分配減值虧損時，減值虧損應首先分配以抵減任何商譽的賬面值（如適當），然後再根據單位或現金產生單位組別內各資產的賬面值按比例分配至其他資產。資產賬面值不得減少至低於其公平值減出售成本（如可計量）、其使用價值（如可釐定）及零之中的最高值。本應分配至資產之減值虧損數額按比例分配至該單位或該組現金產生單位的其他資產。減值虧損會即時於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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 and right-of-use assets (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.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

物業、廠房及設備及使用權資產之減值 (續)

當減值虧損隨後沖回，資產（或現金產生單位或一組現金產生單位）的賬面值就會調升至其修訂後的估計可收回金額，但是調升後的賬面值不可超過資產（或現金產生單位或一組現金產生單位）於以往年度倘無確認減值損失時原應釐定的賬面值。減值虧損沖回即時於損益確認。

現金及現金等值物

現金及現金等值物於綜合財務狀況表呈列，包括：

- (a) 現金，其包括手頭現金及活期存款，不包括受監管限制而導致有關結餘不再符合現金定義的銀行結餘；及
- (b) 現金等值物，其包括短期（通常原到期日為三個月或更短）、可隨時轉換為已知數額現金且價值變動風險不大的高流動性投資。現金等值物持作滿足短期現金承擔，而非用於投資或其他目的。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Cash and cash equivalents (Continued)

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowing in the consolidated statement of financial position.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

現金及現金等值物 (續)

就綜合現金流量表而言，現金及現金等值物包括上文定義的現金及現金等值物（扣除須按要求償還的未償還銀行透支），構成本集團現金管理的組成部分。有關透支在綜合財務狀況表中列作短期借款。

撥備

當本集團有由過往事件所導致現存責任（法定或推定責任），本集團可能清償該項責任，同時該項責任之金額可作出可靠之估計時，則將撥備確認入賬。

經考慮圍繞當前債務的風險和不確定性，確認為撥備的金額是於報告期末清償當前債務所需代價的最佳估計。當使用為清償當前債務而估計的現金流量以計量撥備時，其賬面值為該等現金流量的現值（其中貨幣時間價值的影響屬重大）。

當為清償撥備所需的部分或全部經濟利益預期將從第三方收回時，如果幾乎確定可以收回款項並能夠可靠計量應收金額，則將應收款項確認為資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

或然負債

或然負債指因過往事件而產生的現有責任，但由於可能無需具有經濟利益的資源流出以履行責任，或責任金額未能充分可靠地計量，故不予確認。

倘本集團共同及個別承擔責任，則預期由其他方履行的責任部分會被視為或然負債，而不會於綜合財務報表確認。

本集團持續評估以釐定包含經濟利益的資源流出是否可能。倘先前作為或然負債處理的項目可能須未來經濟利益流出，則於發生可能性變動的報告期間於綜合財務報表確認撥備，惟在極端罕見的情況下無法作出可靠估計則除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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 trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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 *Revenue from Contracts with Customers*. 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.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具

當集團實體成為金融工具合約規定之訂約方，確認金融資產及金融負債。所有常規方式購買或出售金融資產均按交易日基準確認和終止確認。常規方式購買或出售是指要求在市場法規或慣例規定的時限內交付資產的金融資產買賣。

金融資產及金融負債初步按公平值計量，惟客戶合約產生的應收貿易賬款（最初按香港財務報告準則第15號客戶合約收益計量）除外。收購或發行金融資產及金融負債（以公平值計入損益賬（「以公平值計入損益賬」）之金融資產或金融負債除外）直接應佔之交易成本，於初始確認時從金融資產或金融負債之公平值加入或扣減（視情況而定）。直接歸屬於購入以公平值計入損益賬之金融資產或金融負債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的攤銷成本以及分配相關期間的利息收入及利息開支之方法。實際利率乃於初始確認時按金融資產或金融負債的預期可使用年期或適用的較短期間內確切貼現估計未來現金收入及款項（包括構成實際利率不可或缺部分的所有已付或已收費用及點數、交易成本及其他溢價或貼現）至賬面淨值的利率。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. BASIS OF PREPARATION 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.

3. 綜合財務報表編製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

金融資產的分類及期後計量

滿足以下條件其後按攤銷成本計量的金融資產：

- 以收取合約現金流量為目的而持有資產之經營模式下持有之金融資產；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

滿足以下條件其後以公平值計入其他全面收益（「以公平值計入其他全面收益」）計量的金融資產：

- 透過出售及收取合約現金流量達成目而持有資產之經營模式下持有之金融資產；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

All other financial assets are subsequently measured at FVTPL, except that at 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 are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. 綜合財務報表編製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)

所有其他金融資產後續以公平值計入損益賬計量，惟於首次確認金融資產時，如權益投資既非持作交易性目的，亦非香港財務報告準則第3號業務合併規範的業務合併中收購方確認的或有代價，本集團可不可撤回地選擇將該權益投資公平值的後續變動於其他全面收益呈列。

倘符合以下條件，金融資產屬於持作買賣：

- 購買時主要打算於近期出售；或
- 初始確認時，其作為本集團統一管理的可識別金融工具組合的一部分，近期該組合實質上呈現短期獲利特徵；或
- 並非指定為有效對沖工具的衍生工具。

此外，如將符合以攤銷成本計量或以公平值計入其他全面收益計量的金融資產指定為以公平值計入損益賬能消除或顯著減少會計錯配，本集團可不可撤回地作出該指定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (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.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

攤銷成本及利息收入

其後按攤銷成本計量的金融資產乃使用實際利息法予以確認。利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外（見下文）。就其後出現信貸減值的金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade receivables, other receivables, deposits and prepayments 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. Assessments 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.

The Group always recognises lifetime ECL for trade 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.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

根據香港財務報告準則第9號進行減值評估的金融資產減值

本集團根據香港財務報告準則第9號的減值評估，按預期信貸虧損（「預期信貸虧損」）模型對金融資產（包括應收貿易賬款、其他應收款項、按金及預付款項及銀行結餘）進行減值評估。預期信貸虧損的金額於各報告日期更新，以反映自初始確認後信貸風險的變化。

全期預期信貸虧損指於相關工具的預期使用期內所有可能的違約事件產生之預期信貸虧損。相反，12個月預期信貸虧損（「12個月預期信貸虧損」）指預期於報告日期後12個月內可能發生的違約事件導致之全期預期信貸虧損部分。評估基於本集團的過往信貸虧損經驗作出，並就債務人特定因素、整體經濟狀況及報告日期現行狀況的評估及未來狀況預測而作出調整。

本集團一直就應收貿易賬款確認全期預期信貸虧損。

對於所有其他工具，本集團計量的虧損準備等於12個月預期信貸虧損，除非自初始確認後信貸風險顯著增加，於此情況下，本集團確認全期預期信貸虧損。是否應確認全期預期信貸虧損的評估乃基於自初始確認以來發生違約之可能性或風險的顯著增加。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(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.

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;

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

根據香港財務報告準則第9號進行減值評估的金融資產減值 (續)

(i) 信貸風險顯著增加

於評估自初始確認後信貸風險是否顯著增加時，本集團將於報告日期金融工具發生之違約風險與初始確認日起金融工具發生之違約風險進行比較。在進行該評估時，本集團會考慮合理且可支持的定量和定性資料，包括無需付出不必要的成本或努力而可得之過往經驗及前瞻性資料。

特別是，在評估信貸風險是否顯著增加時，會考慮以下資料：

- 金融工具的外部（如有）或內部信貸評級的實際或預期顯著惡化；
- 外部市場信貸風險指標的顯著惡化，如信貸利差大幅增加，債務人的信貸違約掉期價格；

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

- 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.

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.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

根據香港財務報告準則第9號進行減值評估的金融資產減值 (續)

(i) 信貸風險顯著增加 (續)

- 預計會導致債務人償還債務責任能力大幅下降的業務、財務或經濟狀況的現有或預測的不利變化；
- 債務人經營業績的實際或預期顯著惡化；
- 導致債務人償還債務責任能力大幅下降的債務人監管、經濟或技術環境的實際或預期的重大不利變化。

不論上述評估的結果如何，本集團假定，當合約付款逾期超過30天，則自初始確認以來信貸風險已顯著增加，除非本集團有合理且可支持的資料證明並非如此。

本集團定期監控用以確定信貸風險是否顯著增加的標準的有效性，並於適當時候作出修訂，從而確保有關標準能夠於款項逾期前確定信貸風險顯著增加。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(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.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

根據香港財務報告準則第9號進行減值評估的金融資產減值 (續)

(ii) 違約的定義

就內部信貸風險管理而言，本集團認為當內部產生或獲取自外部來源的資料表明，債務人不太可能向債權人（包括本集團）全額還款（不考慮本集團持有的任何抵押品），即發生違約事件。

除上述情況外，本集團認為，倘金融資產逾期超過90天，則發生違約事件，除非本集團具有說明更寬鬆的違約標準更為合適的合理可靠資料，則作別論。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (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;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

根據香港財務報告準則第9號進行減值評估的金融資產減值 (續)

(iii) 信貸減值金融資產

金融資產在一項或以上事件(對該金融資產估計未來現金流量構成不利影響)發生時維持信貸減值。金融資產維持信貸減值的證據包括有關下列事件的可觀察數據:

- (a) 發行人或借款人的重大財政困難;
- (b) 違反合約(如違約或逾期事件);
- (c) 借款人的貸款人因有關借款人財政困難的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠;
- (d) 借款人將可能陷入破產或其他財務重組; 或
- (e) 由於財務困難, 該金融資產的活躍市場消失。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (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 or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written-off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. 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. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward-looking information that is available without undue cost or effort.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

根據香港財務報告準則第9號進行減值評估的金融資產減值 (續)

(iv) 撇銷政策

倘有資料顯示對手方面對嚴重財務困難，且實際上並無收回款項的前景（如對手方被清盤或進入破產程序或就應收貿易賬款而言，有關款項逾期超過兩年（以較早發生在為準）），本集團會撇銷金融資產。於適當時，在考慮法律意見後，本集團可能仍會根據收款程序處理被撇銷的金融資產。撇銷構成終止確認事件。其後收回的任何款項於損益中確認。

(v) 預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約虧損（即違約時虧損大小）及違約時風險敞口之函數。違約概率及違約虧損之評估乃基於過往數據按前瞻性資料作調整。預期信貸虧損的估計反映無偏頗及概率加權金額，乃以各自發生違約的風險為權重而釐定。本集團經考慮過往信貸虧損經驗及毋須花費不必要成本或精力即可獲得的前瞻性資料後使用撥備矩陣並採用實際可行的權宜處理方法估計應收貿易賬款的預期信貸虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (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 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.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

根據香港財務報告準則第9號進行減值評估的金融資產減值 (續)

(v) 預期信貸虧損之計量及確認 (續)

一般而言，預期信貸虧損為本集團根據合約應收的所有合約現金流量與本集團預計收取的現金流量之間的差額，並按初始確認時釐定的實際利率貼現。

若干應收貿易賬款之全期預期信貸虧損經考慮過往逾期資料及前瞻性宏觀經濟資料等相關信貸資料後按集體基準考慮。

就集體評估而言，本集團將於制定類別時考慮以下特徵：

- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級（如有）。

管理層定期檢討分類，以確保各類別的組成部分繼續共有類似信貸風險特徵。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (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 and other receivables, deposits and prepayments the correspondence adjustment is recognised through a loss allowance account.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

根據香港財務報告準則第9號進行減值評估的金融資產減值 (續)

(v) *預期信貸虧損之計量及確認 (續)*

利息收入按金融資產的賬面總值計算，除非金融資產出現信貸減值，在此情況下，利息收入按金融資產的攤銷成本計算。

本集團通過調整所有金融工具的賬面值於損益確認彼等之減值收益或虧損，惟應收貿易賬款以及其他應收款項、按金及預付款項除外，此種情況下透過虧損撥備賬確認相應調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

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.

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.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融資產的終止確認

本集團僅在對來自資產的現金流量的合約權利到期時，或在將金融資產及資產所有權的絕大部分風險和回報轉讓給另一實體時，才終止確認該金融資產。

終止確認以攤銷成本計量的金融資產時，該資產的賬面值與已收和應收代價之和的差額於損益確認。

金融負債及權益

分類為債務或權益

債務及權益工具乃根據合約安排之內容以及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

權益工具乃證實扣除實體所有負債後其資產的剩餘權益的任何合約。本集團發行之權益工具按已收所得款項扣除直接發行成本入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

3.2 SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities including trade payables, accruals and other payables, interest-bearing borrowing and lease liabilities are subsequently measured at amortised cost, using the effective interest method.

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.

3. 綜合財務報表編製基準及主要會計政策 (續)

3.2 主要會計政策 (續)

金融工具 (續)

金融負債

所有金融負債其後均採用實際利率法按攤銷成本計量。

按攤銷成本計量之金融負債

金融負債包括應付貿易賬款、應計費用及其他應付款項、計息借貸及租賃負債，其後採用實際利率法按攤銷成本計量。

金融負債的終止確認

當且僅當本集團的債務被解除、取消或逾期，本集團才終止確認金融負債。終止確認之金融負債的賬面值與已付及應付代價之差額於損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are 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 JUDGEMENT IN APPLYING THE ACCOUNTING POLICIES

The following are the critical judgements, apart from those involving estimations (see below), that the Directors 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.

GOING CONCERN AND LIQUIDITY

As explained in Note 3.1 to the consolidated financial statements, the financial position of the Group indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The assessment of the going concern assumptions involves making judgement by the management, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The management considers that the Group has ability to continue as a going concern and the major conditions that may cast significant doubt about the going concern assumptions are set out in Note 3.1 to the consolidated financial statements.

4. 關鍵會計判斷及估計不明朗因素之主要來源

於應用附註3所述之本集團之會計政策時，董事須對未能透過其他來源確定之資產及負債之賬面值作出判斷、估計及假設。有關估計及相關假設乃以過往經驗及其他被視為相關之因素為基礎。實際結果可能與該等估計不同。

有關估計及相關假設乃按持續經營基準進行檢討。倘會計估計修訂只影響修訂有關估計之期間，則有關修訂於該期間確認；或倘有關修訂影響當期及未來期間，則於修訂期間及未來期間確認。

應用會計政策時作出之重大判斷

以下為董事在採用本集團會計政策過程中所作的對綜合財務報表中確認的金額具有最重大影響的關鍵判斷（涉及的估計除外，參見下文）。

持續經營及流動資金

誠如綜合財務報表附註3.1所述，本集團的財務狀況表明重大不明朗因素可能對本集團持續經營的能力產生重大疑慮。對持續經營假設的評估，涉及管理層於特定時間點就本質上不確定之事件或狀況之未來結果作出判斷。管理層認為本集團有能力持續經營，可能對持續經營假設產生重大疑慮的主要條件載於綜合財務報表附註3.1。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Deferred tax assets

As at 31 December 2021, no deferred tax asset has been recognised on the tax losses of approximately HK\$25,265,000 (2020: approximately HK\$24,745,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

4. 關鍵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

下文載列有關未來的主要假設以及報告期間末估計不明朗因素的其他主要來源，其或會引致重大風險，以致需對下一財政年度之資產及負債賬面值作出重大調整。

(i) 遞延稅項資產

於二零二一年十二月三十一日，由於未能預測未來溢利流，並未就稅項虧損約25,265,000港元（二零二零年：約24,745,000港元）確認遞延稅項資產。遞延稅項資產的實現主要依靠是否有足夠未來溢利或未來可供動用的可扣稅暫時差額，這些為估計不明朗因素的主要來源。倘若產生的實際未來應課稅溢利低於或超過預期，或事實及情況變化導致修訂未來應課稅溢利估計，則可能產生遞延稅項資產的重大撥回或進一步確認，並於撥回或進一步確認的期間於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(ii) Provision of ECL for trade receivables

The Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in Note 6(b).

(iii) Provision of ECL for other receivables, deposits and prepayments

The Group calculates the ECL for the other receivables, deposits and prepayments by grouping the counterparties with similar nature under general approach. The provision rates are based on internal credit ratings, which considered the historical settlement records and historical default rates of the counterparties. The ECL also takes into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Groups' other receivables, deposits and prepayments are disclosed in Note 6(b).

4. 關鍵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)

(ii) 應收貿易賬款預期信貸虧損撥備

本集團使用實際可行的權宜處理方法估計應收貿易賬款的預期信貸虧損，而非使用撥備矩陣進行個別評估。撥備率是根據不同債務人分組的債務人賬齡計算的，並考慮到本集團的歷史違約率及無需過多成本或努力就可獲得的合理和可支持的前瞻性資料。於每一報告日期，對歷史觀察到的違約率進行重新評估並考慮前瞻性資料的變動。

預期信貸虧損的撥備對估計的變動比較敏感。有關預期信貸虧損及本集團應收貿易賬款的資料披露於附註6(b)。

(iii) 其他應收款項、按金及預付款項預期信貸虧損撥備

本集團根據一般方法對類似性質的对手方進行分組，計算其他應收款項、按金及預付款項的預期信貸虧損。撥備率乃基於內部信用評級，經考慮对手方的歷史結算記錄及歷史違約率。預期信貸虧損亦考慮無需過多成本或努力就可獲得的合理和可支持的前瞻性資料。於每一報告日期，會考慮前瞻性資料的變動。

預期信貸虧損的撥備對估計的變動比較敏感。有關預期信貸虧損及本集團其他應收款項、按金及預付款項的資料披露於附註6(b)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(iv) Estimated impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

4. 關鍵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)

(iv) 物業、廠房及設備以及使用權資產的估計減值

物業、廠房及設備以及使用權資產按成本減累計折舊及減值(如有)列賬。於釐定資產是否減值時,本集團須作出判斷及估計,尤其是評估:(1)是否發生可能影響資產價值的事件或任何跡象;(2)資產的賬面值是否能夠以可收回金額(如為使用價值,則按照持續使用資產估計的未來現金流量的淨現值)支持;及(3)將應用於估計可收回金額的適當關鍵假設,包括現金流量預測及適當的貼現率。倘無法估計個別資產(包括使用權資產)的可收回金額,則本集團會估計資產所屬現金產生單位的可收回金額,包括於可建立合理一致的分配基準時分配公司資產,否則可收回金額按已分配相關公司資產的最小一組現金產生單位釐定。更改假設及估計(包括現金流量預測中的貼現率或增長率)可能對可收回金額產生重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(iv) Estimated impairment of property, plant and equipment and right-of-use assets (Continued)

As at 31 December 2021, the carrying amounts of the Group's property, plant and equipment and right-of-use assets subject to impairment assessment were approximately HK\$9,000 and HK\$268,000 (2020: approximately HK\$110,981,000 and HK\$590,000) respectively, after taking into account the impairment losses of approximately HK\$113,999,000 and HK\$Nil (2020: approximately HK\$87,937,000 and HK\$Nil) in respect of property, plant and equipment and right-of-use assets that have been recognised respectively. Details of the impairment of property, plant and equipment and right-of-use assets are disclosed in Notes 18 and 19 to the consolidated financial statements respectively.

(v) Fair values of investment properties and the respective land use right

Investment properties and the respective land use right 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 20.

4. 關鍵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)

(iv) 物業、廠房及設備以及使用權資產的估計減值 (續)

於二零二一年十二月三十一日，經考慮已確認物業、廠房及設備以及使用權資產的減值虧損約113,999,000港元及零港元（二零二零年：約87,937,000港元及零港元）後，須進行減值評估的本集團物業、廠房及設備以及使用權資產的賬面值分別約為9,000港元及268,000港元（二零二零年：約110,981,000港元及590,000港元）。物業、廠房及設備以及使用權資產的減值詳情分別於綜合財務報表附註18及19披露。

(v) 投資物業及各自土地使用權之公平值

投資物業及各自土地使用權乃按獨立專業估值師進行之估值以公平值列賬。公平值的釐定涉及附註20所載之若干對市況之估計。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(v) Fair values of investment properties and the respective land use right (Continued)

In relying on the valuation report, the Directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Changes to 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 by many countries, increased complexity in international trade tensions geopolitics, changes in policy direction and/or mortgage requirements, 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.

The Directors have performed internal assessment on the risks of change in macroeconomic environment through performing sensitivity analysis in relating to the Group's investment properties and the respective land use right.

As at 31 December 2021, the carrying amount of the Group's investment properties and the respective land use right are approximately HK\$22,053,000 and HK\$7,763,000 (2020: approximately HK\$52,086,000 and HK\$1,696,000) respectively.

4. 關鍵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)

(v) 投資物業及各自土地使用權之公平值 (續)

在依賴估值報告之餘，董事已行使其判斷力並信納估值方法足以反映現時市況。該等假設的變化，包括任何市場違規的潛在風險、由宏觀經濟環境變化導致的政策、地緣政治及社會變化或其他突發事件，多數國家實施的旅行限制、日益複雜的國際貿易、地緣政治緊張局勢、政策導向及／或抵押規定的變動或其他突發事件都將導致本集團投資物業的公平值發生變化，並對綜合損益及其他全面收益表中報告的損益金額進行相應調整。

董事通過對本集團投資物業及各自土地使用權進行敏感性分析，對宏觀經濟環境變動產生的風險進行內部評估。

於二零二一年十二月三十一日，本集團投資物業及各自土地使用權的賬面值分別約為22,053,000港元及7,763,000港元（二零二零年：約52,086,000港元及1,696,000港元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of its debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consist of net debt, which includes interest-bearing borrowing and lease liabilities net of cash and bank balances, and equity attributable to owners of the Company, comprising issued share capital and reserves of the Group.

The gearing ratios at 31 December 2021 and 2020 were as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Interest-bearing borrowing	計息借貸	115,000	115,000
Interest payable and redemption premium payable (included in accruals and other payables)	應付利息及應付償還溢價 (計入應計費用及其他應付款項)	195,414	—
Lease liabilities	租賃負債	296	623
Total debts	負債總額	310,710	115,623
Less: cash and cash equivalents	減：現金及現金等值物	(1,862)	(18,491)
Net debt	負債淨額	308,848	97,132
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額	(80,917)	483,087
Net debt to equity ratio	負債淨額相對權益比率	(381.7%)	20.1%

5. 資本風險管理

本集團之資本管理旨在確保本集團旗下實體將能持續經營，並同時透過優化債務與權益之平衡，從而為權益持有人爭取最高回報。本集團維持過往年度之整體策略不變。

本集團之資本架構包括負債淨額（其包括經扣除現金及銀行結餘後之計息借貸及租賃負債）及本公司擁有人應佔權益（包括本集團之已發行股本及儲備）。

於二零二一年及二零二零年十二月三十一日之資本負債比率如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS

(A) CATEGORIES OF FINANCIAL INSTRUMENTS

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Financial assets	金融資產		
Amortised cost	攤銷成本	209,259	365,585
Financial liabilities	金融負債		
Amortised cost	攤銷成本	376,318	206,385

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade receivables, other receivables, deposits and prepayments, cash and bank balances, trade payables, accruals and other payables, interest-bearing borrowing and lease liabilities. Details of the financial instruments are disclosed in respective notes to these consolidated financial statements. The risks associated with these financial instruments include interest rate risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

6. 金融工具

(A) 金融工具的分類

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Financial assets	金融資產		
Amortised cost	攤銷成本	209,259	365,585
Financial liabilities	金融負債		
Amortised cost	攤銷成本	376,318	206,385

(B) 金融風險管理目標及政策

本集團的主要金融工具包括應收貿易賬款、其他應收款項、按金及預付款項、現金及銀行結餘、應付貿易賬款、應計費用及其他應付款項、計息借貸及租賃負債。金融工具之詳情於該等綜合財務報表各附註中披露。與該等金融工具相關之風險包括利率風險、信貸風險及流動資金風險。降低該等風險之政策載於下文。本集團管理層管理及監察該等風險，以確保適時並有效地實施適當之措施。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to interest-bearing borrowing and lease liabilities. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances. The Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed and floating rates and ensure they are within reasonable range.

Total interest income from financial assets that are measured at amortised cost:

6. 金融工具 (續)

(B) 金融風險管理目標及 政策 (續)

利率風險

本集團面臨與計息借貸及租賃負債有關的公平值利率風險。本集團亦面臨與浮息銀行結餘有關的現金流量利率風險。本集團現金流量利率風險主要集中於銀行結餘利率的波動。本集團根據利率水平及前景評估任何利率變動所產生的潛在影響，以管理其利率風險。管理層將審核定息及浮息的借款比例，並確保其在合理範圍內。

按攤銷成本計量的金融資產的利息收入總額：

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Financial assets at amortised cost 按攤銷成本計量的金融資產	5	307

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest rate risk (Continued)

Interest expense on financial liabilities not measured at FVTPL:

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Financial liabilities at amortised cost 按攤銷成本計量的金融負債	160,500	12,237

Sensitivity analysis

The management consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant and no sensitivity analysis to interest rate risk is presented.

6. 金融工具 (續)

(B) 金融風險管理目標及 政策 (續)

利率風險 (續)

非以公平值計入損益賬的金融負債利息開支：

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Financial liabilities at amortised cost 按攤銷成本計量的金融負債	160,500	12,237

敏感性分析

管理層認為浮息銀行結餘產生的現金流量利率風險並不重大，故並無呈列利率風險之敏感性分析。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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 receivable, other receivables, deposits and prepayments and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

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 are summarised as below:

Trade receivables

In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 days. Debtors with balances that are more than a year past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from its customers.

The Group applies simplified approach on trade receivable to provide for ECL. Trade receivables are grouped based on shared credit risk characteristics by reference to the aging of outstanding balances and the industry of debtors. Details of quantitative disclosures are set out below in this note.

6. 金融工具 (續)

(B) 金融風險管理目標及 政策 (續)

信貸風險及減值評估

信貸風險指本集團的交易對手違反合約責任導致本集團財務虧損的風險。本集團之信貸風險主要來自應收貿易賬款、其他應收款項、按金及預付款項以及銀行結餘。本集團並無持有任何抵押品或其他信用增級以保障與其金融資產有關的信貸風險。

本集團對金融資產進行減值評估。有關本集團信貸風險管理、最大信貸風險敞口及有關減值評估的資料詳述於下文：

應收貿易賬款

就應收貿易賬款而言，對於所有要求超過若干信貸金額之客戶，均會進行個別信貸評估。此等評估主要針對客戶過往於到期時之還款記錄及現時之支付能力，並考慮客戶之特定資料及客戶所處經濟環境之相關資料。應收貿易賬款於三十天內到期。債務人必須全數償還所有逾期一年以上之結餘，方可獲授予任何其他信貸。本集團一般不會向客戶收取抵押品。

本集團應用簡化方法就應收貿易賬款之預期信貸虧損作出撥備。應收貿易賬款乃經參考未償還結餘之賬齡及債務人行業後根據共同信貸風險特徵進行分類。定量披露資料詳情於本附註下文載述。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables (Continued)

At 31 December 2021, trade receivables from the five largest debtors amounting to approximately HK\$140,559,000 (2020: approximately HK\$138,286,000), representing approximately 99% (2020: 99%) of the total gross trade receivables.

At 31 December 2021, the Group's concentration of credit risk by geographical location is in the PRC, which accounted for 100% (2020: 100%) of total gross trade receivables.

Bank balances

Credit risk on 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 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. Based on the average loss rates, the 12m ECL on bank balances is considered to be insignificant and therefore no loss allowance was recognised.

Other receivables, deposits and prepayments

In respect of other receivables, deposits and prepayments, management of the Group makes periodic individual assessment on the recoverability of other receivables, deposits and prepayments based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information. Except for amounts that the Directors believe there are significant increase in credit risk since initial recognition and the Group provided impairment based on lifetime ECL, the Group provided impairment on the amounts that the Directors believe there are no significant increase in credit risk are based on 12m ECL.

6. 金融工具 (續)

(B) 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)

應收貿易賬款 (續)

於二零二一年十二月三十一日，來自五大債務人的應收貿易賬款為約140,559,000港元（二零二零年：約138,286,000港元），佔應收貿易賬款總額約99%（二零二零年：99%）。

於二零二一年十二月三十一日，按所在地區分類，本集團之信貸風險集中於中國，佔應收貿易賬款總額的100%（二零二零年：100%）。

銀行結餘

由於交易對手乃獲國際信貸機構給予優良信貸評級的聲譽卓著的銀行，故銀行結餘的信貸風險有限。本集團參考外部信貸評級機構所發佈有關信貸評級等級的違約概率及虧損之資料評估銀行結餘的十二個月預期信貸虧損。基於平均虧損率，銀行結餘的十二個月預期信貸虧損被視為不重大，因此，並無確認虧損撥備。

其他應收款項、按金及預付款項

就其他應收款項、按金及預付款項而言，本集團管理層根據過往結算記錄、過往經驗及可獲得之合理及可靠前瞻性資料就其他應收款項、按金及預付款項之可收回性進行定期個別評估。除了董事認為自初始確認以來信貸風險有顯著增加的金額及本集團根據全期預期信貸虧損計提減值外，本集團根據十二月預期信貸虧損對董事認為信貸風險無顯著增加的金額計提減值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

Other receivables and deposits (Continued)

During the year ended 31 December 2021, the Group provided allowance for credit losses of approximately of HK\$126,660,000 (2020: HK\$20,176,000) in respect of other receivables, deposits and prepayments. Detail of quantitative disclosures are set out below in this note.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating 內部信貸評級	Description 描述	Trade receivables 應收貿易賬款	Other financial assets 其他金融資產
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 對手方的違約風險較低，且並無任何逾期款項	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 未信貸減值	12m ECL 十二個月預期信貸虧損
Watch list 觀察名單	Debtor frequently repays after due dates but usually settle in full 債務人常常於到期日後清償但一般悉數結算	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 未信貸減值	12m ECL 十二個月預期信貸虧損
Doubtful 可疑	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 自通過內部開發的資料或外部資源初始確認以來，信貸風險顯著增加	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 未信貸減值	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 未信貸減值
Default 違約	There is evidence indicating the asset is credit-impaired 有證據顯示資產發生信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損 – 信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損 – 信貸減值
Write off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人陷入嚴重的財務困難且本集團收回款額的前景渺茫	Lifetime ECL – credit-impaired 全期預期信貸虧損 – 信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損 – 信貸減值

6. 金融工具 (續)

(B) 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)

其他應收款項及按金 (續)

截至二零二一年十二月三十一日止年度，本集團就其他應收款項、按金及預付款項計提信貸虧損撥備約126,660,000港元（二零二零年：20,176,000港元）。定量披露的詳情載於本附註下文。

本集團內部信貸風險等級評估包括以下類別：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

The table below details the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL 十二個月或 全期預期信貸虧損	2021 二零二一年		2020 二零二零年	
					Gross carrying amount		Gross carrying amount	
					HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Financial assets at amortised costs 按攤銷成本計量的金融資產								
Bank balances 銀行結餘	26	B1-A1	N/A 不適用	12m ECL 十二個月預期信貸虧損		1,820		18,442
Other receivables, deposits and prepayments 其他應收款項、按金及預付款項	25	N/A 不適用	(Note 1) (附註1)	12m ECL 十二個月預期信貸虧損 Lifetime ECL (credit-impaired) 全期預期信貸虧損 (信貸減值)	92,808		249,518	
					160,715	253,523	-	249,518
Trade receivables 應收貿易賬款	24	N/A 不適用	(Note 2) (附註2)	Lifetime ECL (Provision matrix) 全期預期信貸虧損 (撥備矩陣)		140,568		138,299

6. 金融工具 (續)

(B) 金融風險管理目標及 政策 (續)

信貸風險及減值評估 (續)

下表詳述根據預期信貸虧損評估的本集團金融資產的信貸風險：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

Note:

- 1) For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

6. 金融工具 (續)

(B) 金融風險管理目標及 政策 (續)

信貸風險及減值評估 (續)

附註：

- 1) 就內部信貸風險管理而言，本集團使用逾期資料評估信貸風險自初始確認以來是否顯著增加。

		Past due	Not past due/No fixed repayment terms	Total
		逾期	未逾期/ 無固定 償還期限	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2021	二零二一年			
Other receivables and deposits	其他應收款項及按金	160,715	92,808	253,523
2020	二零二零年			
Other receivables and deposits	其他應收款項及按金	–	249,518	249,518

- 2) For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL.

- 2) 就應收貿易賬款，本集團應用香港財務報告準則第9號內的簡化方法以計量全期預期信貸虧損的虧損撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers. The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis by using provision matrix within lifetime ECL.

Gross carrying amount	總賬面值
0 – 30 days past due	逾期0至30日
91 days – 2 years past due	逾期91日至2年

6. 金融工具 (續)

(B) 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)

作為本集團信貸風險管理的一部分，本集團利用債務人的賬齡為其客戶進行減值評估。下表提供有關採用全期預期信貸虧損撥備矩陣按集體基準進行評估的應收貿易賬款之信貸風險的資料。

2021 二零二一年	
Average loss rate 平均虧損率 HK\$'000 千港元	Trade receivables 應收貿易賬款 HK\$'000 千港元
0.7%	26
61.7%	140,542
	140,568

2020 二零二零年	
Average loss rate 平均虧損率 HK\$'000 千港元	Trade receivables 應收貿易賬款 HK\$'000 千港元
9%	2,892
13%	47,282
15%	44,884
17%	43,206
63%	35
	138,299

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. Due to greater financial uncertainty triggered by the Covid-19 pandemic, the Group has increased the expected loss rates in the current year as there is higher risk that a prolonged pandemic could lead to increased credit default rates.

During the year ended 31 December 2021, the Group provided allowance for credit losses of approximately HK\$65,640,000 (2020: approximately HK\$20,547,000) in respect of trade receivables based on the provision matrix.

6. 金融工具 (續)

(B) 金融風險管理目標及 政策 (續)

信貸風險及減值評估 (續)

估計虧損率乃基於債務人預期年期期間歷史觀察可得違約率估計，並就毋須耗費不當成本或精力即可得之前瞻性資料進行調整。由於COVID-19疫情觸發的更大金融不確定性，本集團於本年度增加預期虧損率，原因為疫情持續可能導致信貸違約率上升的更高風險。

截至二零二一年十二月三十一日止年度，本集團根據撥備矩陣就應收貿易賬款計提信貸虧損撥備約65,640,000港元（二零二零年：約20,547,000港元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

The following table shows movement in lifetime ECL that has been recognised for trade receivables:

		Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (未信貸減值) HK\$'000 千港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 1 January 2020	於二零二零年一月一日	-	-	-
Impairment losses recognised	已確認減值虧損	20,547	-	20,547
As at 31 December 2020	於二零二零年十二月三十一日	20,547	-	20,547
Changes due to financial instruments recognised as at 1 January 2021	於二零二一年一月一日確認的 金融工具導致的變動			
- Transfer to lifetime ECL (credit-impaired)	- 轉撥至全期預期信貸虧損 (信貸減值)	(20,547)	20,547	-
- Impairment losses recognised	- 已確認減值虧損	-	65,640	65,640
- Write off	- 撇銷	-	(35)	(35)
- Exchange alignment	- 匯兌調整	-	562	562
As at 31 December 2021	於二零二一年十二月三十一日	-	86,714	86,714

6. 金融工具 (續)

(B) 金融風險管理目標及 政策 (續)

信貸風險及減值評估 (續)

下表列示已就應收貿易賬款確認的全期預期信貸虧損變動：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

Changes in the loss allowance for trade receivables are mainly due to:

Trade receivables with a gross carrying amount of HK\$140,568,000 defaulted and transferred to credit-impaired
Further impairment made for credit-impaired trade receivables

Impairment made for not credit-impaired trade receivables

總賬面值為140,568,000港元之應收貿易賬款已違約並轉至信貸減值
就信貸減值的應收貿易賬款作出進一步減值

就未信貸減值的應收貿易賬款作出減值

6. 金融工具 (續)

(B) 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)

應收貿易賬款虧損撥備之變動主要由於：

2021 二零二一年	
Increase (decrease) in lifetime ECL (not credit- impaired) 全期預期信貸虧損 增加(減少) (未信貸減值) HK\$'000 千港元	Increase (decrease) in lifetime ECL (credit-impaired) 全期預期信貸虧損 增加(減少) (信貸減值) HK\$'000 千港元
(20,547)	20,547
—	65,640

2020 二零二零年	
Increase in lifetime ECL (not credit- impaired) 全期預期信貸虧損 增加 (未信貸減值) HK\$'000 千港元	
	20,547

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

The following table shows reconciliation of loss allowances that has been recognised for other receivables, deposits and prepayments:

		12m ECL	Lifetime ECL (not credit- impaired)	Lifetime ECL (credit- impaired)	Total
		十二個月 預期信貸虧損	全期預期 信貸虧損 (未信貸減值)	全期預期 信貸虧損 (信貸減值)	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
As at 1 January 2020	於二零二零年一月一日	-	-	-	-
Impairment losses recognised	已確認減值虧損	161	20,015	-	20,176
As at 31 December 2020	於二零二零年十二月三十一日	161	20,015	-	20,176
Changes due to financial instruments recognised as at 1 January 2021	於二零二一年一月一日確認的 金融工具導致的變動				
- Transfer to lifetime ECL (credit-impaired)	- 轉撥至全期預期信貸虧損 (信貸減值)	-	(20,015)	20,015	-
- Impairment losses recognised	- 已確認減值虧損	653	-	126,007	126,660
- Write off	- 撇銷	-	-	(47,408)	(47,408)
- Exchange alignment	- 匯兌調整	4	-	548	552
As at 31 December 2021	於二零二一年十二月三十一日	818	-	99,162	99,980

6. 金融工具 (續)

(B) 金融風險管理目標及 政策 (續)

信貸風險及減值評估 (續)

下表列示已就其他應收款項、按金及預付款項確認的虧損撥備對賬：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk and impairment assessment (Continued)

Changes in the loss allowance for other receivables, deposits and prepayments are mainly due to:

Other receivables, deposits and prepayments with a gross carrying amount of HK\$208,123,000 defaulted and transferred to credit-impaired	總賬面值為208,123,000港元之其他應收款項、按金及預付款項已違約並轉至信貸減值
Further impairment made for credit-impaired other receivables, deposits and prepayments	就信貸減值的其他應收款項、按金及預付款項作出進一步減值
No realistic prospect of recovery of other receivables, deposits and prepayments	並收回無望的其他應收款項、按金及預付款項

Impairment made for not credit-impaired other receivables, deposits and prepayments

就未信貸減值的其他應收款項、按金及預付款項作出減值

6. 金融工具 (續)

(B) 金融風險管理目標及政策 (續)

信貸風險及減值評估 (續)

其他應收款項、按金及預付款項虧損撥備之變動主要由於：

2021 二零二一年	
Increase (decrease) in lifetime ECL (not credit-impaired) 全期預期信貸虧損 增加(減少) (未信貸減值) HK\$'000 千港元	Increase (decrease) in lifetime ECL (credit-impaired) 全期預期信貸 虧損增加(減少) (信貸減值) HK\$'000 千港元
(20,015)	20,015
—	126,007
—	(47,408)

2020
二零二零年

Increase
in lifetime ECL (not credit-
impaired)
全期預期信貸虧損
增加
(未信貸減值)
HK\$'000
千港元

20,015

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

In the management of the liquidity risk, the Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the Group's remaining contractual maturity for its 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 maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows.

6. 金融工具 (續)

(B) 金融風險管理目標及 政策 (續)

流動資金風險

為管理流動資金風險，本集團於管理流動資金時採納的方法為盡可能確保其維持充足流動資金以償還到期債務，且不會產生無法接納的虧損或令本集團聲譽受損。

本集團旗下個別業務實體負責其自身的現金管理，包括現金盈餘的短期投資及籌集貸款，以滿足預期現金需求，惟於借款超出若干預定授權水平時須獲得母公司董事會批准。本集團的政策為定期監控其流動資金需要及其遵守借貸契約的情況，以確保其維持足夠現金儲備及獲主要財務機構授予充足的已承諾資金額度，以滿足其短期及較長期的流動資金需要。

下表詳述本集團金融負債剩餘合約到期日。本表乃根據金融負債於本集團可被要求還款的最早日期的金融負債未貼現現金流量作出。其他非衍生金融負債的到期日乃基於協定償還日期。

此表包括利息及本金現金流量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

(B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk (Continued)

		Weighted average interest rate	On demand or within one year	Total contractual undiscounted cash flows	Carrying amount
		加權平均利率 %	按要求 或一年內 HK\$'000 千港元	約定未折現 現金流量總額 HK\$'000 千港元	賬面值 HK\$'000 千港元
At 31 December 2021	於二零二一年十二月三十一日				
Interest-bearing borrowing	計息借貸	20	115,000	115,000	115,000
Trade payables	應付貿易賬款	N/A 不適用	14,660	14,660	14,660
Accruals and other payables	應計費用及其他應付款項	N/A 不適用	246,362	246,362	246,362
Lease liabilities	租賃負債	9.38	307	307	296
			376,329	376,329	376,318

		Weighted average interest rate	On demand or within one year	More than 1 year but less than 2 years	Total contractual undiscounted cash flows	Carrying amount
		加權平均利率 %	按要求 或一年內 HK\$'000 千港元	一年以上 但不超過兩年 HK\$'000 千港元	約定未折現 金流量總額 HK\$'000 千港元	賬面值 HK\$'000 千港元
At 31 December 2020	於二零二零年十二月三十一日					
Interest-bearing borrowings	計息借貸	10	115,000	–	115,000	115,000
Trade payables	應付貿易賬款	N/A 不適用	15,579	–	15,579	15,579
Accruals and other payables	應計費用及其他應付款項	N/A 不適用	75,183	–	75,183	75,183
Lease liabilities	租賃負債	9.38	368	307	675	623
			206,130	307	206,437	206,385

6. 金融工具 (續)

(B) 金融風險管理目標及 政策 (續)

流動資金風險 (續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. FINANCIAL INSTRUMENTS (Continued)

(C) FAIR VALUES MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and liabilities that are not measured at fair value on a recurring basis.

The Directors considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate to their fair values.

7. REVENUE

(I) DISAGGREGATION OF REVENUE FROM CONTRACT WITH CUSTOMERS

For the year ended 31 December 2021

Type of goods or services

Sales of construction materials

Property management service

Total

Geographical markets

PRC

Timing of revenue recognition

A point in time

Over time

Total

商品或服務類型

銷售建造材料

物業管理服務

總計

地區市場

中國

收益確認時間

時間點

時間段

總計

6. 金融工具 (續)

(C) 金融工具之公平值計量

本集團並非以經常性基準按公平值計量的金融資產與金融負債公平值。

董事認為於綜合財務報表確認的金融資產及金融負債的賬面值與其公平值相若。

7. 收益

(I) 來自客戶合約之分拆收益

截至二零二一年十二月三十一日止年度

	Properties investment segment 物業投資分部 HK\$'000 千港元	Natural gas segment 天然氣分部 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Type of goods or services			
Sales of construction materials	–	789	789
Property management service	1,057	–	1,057
Total	1,057	789	1,846
Geographical markets			
PRC	1,057	789	1,846
Timing of revenue recognition			
A point in time	–	789	789
Over time	1,057	–	1,057
Total	1,057	789	1,846

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. REVENUE (Continued)

(I) DISAGGREGATION OF REVENUE FROM CONTRACT WITH CUSTOMERS (Continued)

For the year ended 31 December 2021 (Continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

Sales of construction materials	銷售建造材料
Property management service	物業管理服務
Revenue from contracts with customers	客戶合約收益
Leases	租賃
Total revenue	總收益

7. 收益 (續)

(I) 來自客戶合約之分拆收益 (續)

截至二零二一年十二月三十一日止年度 (續)

下文載列客戶合約收益與分部資料所披露款項的對賬。

Properties investment segment	Natural gas segment	Total
物業投資分部	天然氣分部	總計
HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元
–	789	789
1,057	–	1,057
1,057	789	1,846
1,311	–	1,311
2,368	789	3,157

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. REVENUE (Continued)

(I) DISAGGREGATION OF REVENUE FROM CONTRACT WITH CUSTOMERS (Continued)

For the year ended 31 December 2020

Type of goods or services	商品或服務類型	Properties investment segment	Natural gas segment	Total
		物業投資分部 HK\$'000 千港元	天然氣分部 HK\$'000 千港元	總計 HK\$'000 千港元
Sales of construction materials	銷售建造材料	–	125,097	125,097
Property management service	物業管理服務	1,022	–	1,022
Total	總計	1,022	125,097	126,119
Geographical markets	地區市場			
PRC	中國	1,022	125,097	126,119
Timing of revenue recognition	收益確認時間			
A point in time	時間點	–	125,097	125,097
Over time	時間段	1,022	–	1,022
Total	總計	1,022	125,097	126,119

7. 收益 (續)

(I) 來自客戶合約之分拆收益 (續)

截至二零二零年十二月三十一日止年度

Properties investment segment	Natural gas segment	Total
物業投資分部 HK\$'000 千港元	天然氣分部 HK\$'000 千港元	總計 HK\$'000 千港元

Type of goods or services	商品或服務類型	Properties investment segment	Natural gas segment	Total
		物業投資分部 HK\$'000 千港元	天然氣分部 HK\$'000 千港元	總計 HK\$'000 千港元
Sales of construction materials	銷售建造材料	–	125,097	125,097
Property management service	物業管理服務	1,022	–	1,022
Total	總計	1,022	125,097	126,119
Geographical markets	地區市場			
PRC	中國	1,022	125,097	126,119
Timing of revenue recognition	收益確認時間			
A point in time	時間點	–	125,097	125,097
Over time	時間段	1,022	–	1,022
Total	總計	1,022	125,097	126,119

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. REVENUE (Continued)

(I) DISAGGREGATION OF REVENUE FROM CONTRACT WITH CUSTOMERS (Continued)

For the year ended 31 December 2020 (Continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	Properties investment segment 物業投資分部	Natural gas segment 天然氣分部	Total 總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Sales of construction materials 銷售建造材料	–	125,097	125,097
Property management service 物業管理服務	1,022	–	1,022
Revenue from contracts with customers 客戶合約收益	1,022	125,097	126,119
Leases 租賃	1,295	–	1,295
Total revenue 總收益	2,317	125,097	127,414

(II) PERFORMANCE OBLIGATIONS FOR CONTRACTS WITH CUSTOMERS

Sales of construction materials

Revenue from sales of construction materials are recognised at a point in time when control of the goods has transferred, being when the goods have been delivered to the specify location. The normal credit term is up to 30 days upon delivery.

Property management service

Under the terms of the contract, property management service is satisfied over time. The property management fee income are recognised throughout the respective contract period. The normal credit term is up to 30 days upon the payment period.

7. 收益 (續)

(I) 來自客戶合約之分拆收益 (續)

截至二零二零年十二月三十一日止年度 (續)

下文載列客戶合約收益與分部資料所披露款項的對賬。

	Properties investment segment 物業投資分部	Natural gas segment 天然氣分部	Total 總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Sales of construction materials 銷售建造材料	–	125,097	125,097
Property management service 物業管理服務	1,022	–	1,022
Revenue from contracts with customers 客戶合約收益	1,022	125,097	126,119
Leases 租賃	1,295	–	1,295
Total revenue 總收益	2,317	125,097	127,414

(II) 客戶合約履約責任

銷售建造材料

銷售建造材料收入在貨物控制權轉移的時間點確認，即貨物已經交付到指定地點的時間點。正常信貸期為交貨後30天。

物業管理服務

根據合約條款，物業管理服務按時間段履行。物業管理費收入在各自整個合約期內確認。正常信貸期為付款期後30天。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. REVENUE (Continued)

(III) TRANSACTION PRICE ALLOCATED TO THE REMAINING PERFORMANCE OBLIGATION FOR CONTRACTS WITH CUSTOMERS

Sales of construction materials

All contracts with customers are for periods of one year or less. As permitted by HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Property management service

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) and the expected timing of recognising revenue are as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within one year	一年以內	1,057	1,022
More than one year but not more than two years	一年以上兩年以內	1,307	462
More than two year and no more than five years	兩年以上五年以內	—	210
		2,364	1,694

(IV) LEASES

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Total revenue arising from leases	租賃總收益		
For operating lease:	經營租賃：		
Lease payments that are fixed	固定租賃付款	1,311	1,295

7. 收益 (續)

(III) 分配至與客戶之合約的餘下履約責任的交易價格

銷售建造材料

所有客戶合約為期一年或以下。誠如香港財務報告準則第15號所允許，概不披露分配至該等未履行合約之交易價格。

物業管理服務

分配至餘下履約責任（未履約或部分履約）的交易價格及預期收益確認時間如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. SEGMENT INFORMATION

Information reported to the board of Directors (the “Board”), being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable segments under HKFRS 8 are as follows:

- a. Properties investment – generated rental income from operating leases of Group’s investment properties in the PRC
- b. Natural gas – trading of natural pipelined gases and its construction materials in the PRC; and
- c. Investment holding – investment in associates on a geographical basis of the PRC.

8. 分部資料

向董事會（「董事會」，即主要營運決策者（「主要營運決策者」））呈報以作資源分配及分部表現評估之資料著眼於所交付或提供之貨品或服務類型。於達致本集團的可呈報分部時，主要營運決策者並無將所識別的經營分部匯集。

具體而言，根據香港財務報告準則第8號分類本集團可呈報分部如下：

- a. 物業投資—本集團於中國從事投資物業經營租賃產生的租金收入
- b. 天然氣—於中國從事管道天然氣交易及其建築材料；及
- c. 投資控股—於中國按地區劃分之聯營公司投資。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results by operating segment for the years ended 31 December 2021 and 2020:

8. 分部資料 (續)

以下為於截至二零二一年及二零二零年十二月三十一日止年度本集團按營運分部劃分之收益及業績之分析：

		Properties investment 物業投資 HK\$'000 千港元	Natural gas 天然氣 HK\$'000 千港元	Investment holding 投資控股 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總額 HK\$'000 千港元
For the year ended 31 December 2021	截至二零二一年 十二月三十一日止年度					
Segment revenue	分部收益					
From external customers	來自外部客戶	2,368	789	-	-	3,157
Segment profit	分部溢利	2,008	3	-	-	2,011
Interest income	利息收入	3	2	-	-	5
Other income, gains and losses, net	其他收入、收益及虧損淨額	(11,281)	-	36,000	-	24,719
Loss from changes in fair value of investment properties, net	投資物業公平值變動產生之虧損淨額	(24,944)	-	-	-	(24,944)
Impairment losses recognised in respect of property, plant and equipment	就物業、廠房及設備確認之減值虧損	(113,999)	-	-	-	(113,999)
Impairment losses under expected credit loss model, net of reversal	預期信貸虧損模式項下的減值虧損(扣除撥回)	(1,053)	(191,073)	(174)	-	(192,300)
Share of results of associates	應佔聯營公司之業績	-	-	(169,558)	-	(169,558)
Other corporate expenses	其他企業開支	(5,233)	(201)	(8)	(6,602)	(12,044)
Loss from operations	經營虧損	(154,499)	(191,269)	(133,740)	(6,602)	(486,110)
Finance costs	財務成本	(2,694)	-	-	(157,806)	(160,500)
Loss before tax	除稅前虧損	(157,193)	(191,269)	(133,740)	(164,408)	(646,610)
Income tax expenses	所得稅開支	-	-	-	-	-
Loss for the year	年內虧損	(157,193)	(191,269)	(133,740)	(164,408)	(646,610)
Other segment information	其他分部資料					
Depreciation of right-of-use assets	使用權資產折舊	-	-	-	(322)	(322)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(1)	(8)	-	-	(9)
Segment assets	分部資產	38,728	164,393	36,659	404	240,184
Segment liabilities	分部負債	(42,912)	(9,193)	(479)	(329,940)	(382,524)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results by operating segment for the years ended 31 December 2021 and 2020: (Continued)

8. 分部資料 (續)

以下為於截至二零二一年及二零二零年十二月三十一日止年度本集團按營運分部劃分之收益及業績之分析：(續)

		Properties investment 物業投資 HK\$'000 千港元	Natural gas 天然氣 HK\$'000 千港元	Investment holding 投資控股 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總額 HK\$'000 千港元
For the year ended 31 December 2020	截至二零二零年 十二月三十一日止年度					
Segment revenue	分部收益					
From external customers	來自外部客戶	2,317	125,097	-	-	127,414
Segment profit	分部溢利	1,975	856	-	-	2,831
Interest income	利息收入	2	305	-	-	307
Other income, gains and losses, net	其他收入、收益及虧損淨額	6	274	36,000	108	36,388
Loss from changes in fair value of investment properties	投資物業公平值變動產生之虧損	(77,966)	-	-	-	(77,966)
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備確認之減值虧損	(87,937)	-	-	-	(87,937)
Impairment losses under expected credit loss model, net of reversal	預期信貸虧損模式項下的減值虧損(扣除撥回)	-	(40,723)	-	-	(40,723)
Share of results of associates	應佔聯營公司之業績	-	-	(144,569)	-	(144,569)
Other corporate expenses	其他企業開支	(1,875)	(19,583)	(8)	(10,542)	(32,008)
Loss from operations	經營虧損	(165,795)	(58,871)	(108,577)	(10,434)	(343,677)
Finance costs	財務成本	-	-	-	(12,237)	(12,237)
Loss before tax	除稅前虧損	(165,795)	(58,871)	(108,577)	(22,671)	(355,914)
Income tax credit	所得稅抵免	7,417	-	-	-	7,417
Loss for the year	年內虧損	(158,378)	(58,871)	(108,577)	(22,671)	(348,497)
Other segment information	其他分部資料					
Depreciation of right-of-use assets	使用權資產折舊	(1)	-	-	(322)	(323)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	(1)	(8)	-	-	(9)
Segment assets	分部資產	177,112	315,950	203,108	1,877	698,047
Segment liabilities	分部負債	(27,250)	(10,255)	(479)	(174,447)	(212,431)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. SEGMENT INFORMATION (Continued)

Segment revenue represents revenue generated from external customers. There were no inter-segment sales during the year (2020: Nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment performance is evaluated based on reportable segment profit (loss). The segment profit (loss) represents the result generated from each segment with allocation of (i) general and administrative expenses, selling and distribution costs under the heading of other corporate expenses; (ii) share of results of associates; (iii) interest income; and (iv) compensation income and other sundry income under the heading of other income, gains and losses, net; loss from changes in fair value of investment properties, net; impairment losses recognised in respect of property, plant and equipment and impairment losses under expected credit loss model, net of reversal. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated to reportable segments other than corporate assets and corporate liabilities.

GEOGRAPHICAL SEGMENTS

The Group's operations are located in the PRC.

Information about the Group's revenue from external customers is presented based on the location of the customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

8. 分部資料 (續)

分部收益乃來自外部客戶之收益。年內並無分部間銷售(二零二零年:無)。

可呈報分部之會計政策與本集團之會計政策相同。分部表現乃根據可呈報分部溢利(虧損)來作出評估。分部溢利(虧損)指各分部所產生並分配至以下各項之業績:(i)一般及行政開支、其他企業開支項下銷售及分銷成本;(ii)應佔聯營公司之業績;(iii)利息收入;及(iv)賠償收入及其他收入、收益及虧損淨額;投資物業公平值變動產生之虧損淨額;就物業、廠房及設備確認之減值虧損;預期信貸虧損模式項下的減值虧損(扣除撥回)。該計量方式乃向主要營運決策者報告,以就資源分配及分部表現評估方面作出決定。

就監察分部表現及分部間分配資源而言,所有資產及負債均分配至可呈報分部(企業資產及企業負債除外)。

地區分部

本集團於中國經營業務。

有關本集團來自外部客戶收益的資料按客戶位置呈列。有關本集團非流動資產的資料按資產的地理位置呈列。

		Revenue from external customers 來自外部客戶的收益		Non-current assets 非流動資產	
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
The PRC	中國	3,157	127,414	30,925	332,462

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. SEGMENT INFORMATION (Continued)

INFORMATION ABOUT MAJOR CUSTOMERS

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Customer A 客戶A	Natural gas business 天然氣業務	789	N/A* 不適用*
Customer B 客戶B	Natural gas business 天然氣業務	—	36,487
Customer C 客戶C	Natural gas business 天然氣業務	—	37,484
Customer D 客戶D	Natural gas business 天然氣業務	—	36,083
Customer E 客戶E	Properties investment business 物業投資業務	369	N/A* 不適用*
Customer F 客戶F	Properties Investment business 物業投資業務	327	—

* Less than 10% of the Group's total revenue

8. 分部資料 (續)

主要客戶之資料

相應年度貢獻本集團總收入10%以上的來自客戶的收入如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Customer A 客戶A	Natural gas business 天然氣業務	789	N/A* 不適用*
Customer B 客戶B	Natural gas business 天然氣業務	—	36,487
Customer C 客戶C	Natural gas business 天然氣業務	—	37,484
Customer D 客戶D	Natural gas business 天然氣業務	—	36,083
Customer E 客戶E	Properties investment business 物業投資業務	369	N/A* 不適用*
Customer F 客戶F	Properties Investment business 物業投資業務	327	—

* 少於本集團總收入的10%

9. OTHER INCOME, GAINS AND LOSSES

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Interest income on bank deposits 銀行存款之利息收入		5	307
Compensation income arising from profit guarantee realisation (Note (i)) 溢利擔保實現所產生之 賠償收入(附註(i))		36,000	36,000
Government grant (Note (ii)) 政府補貼(附註(ii))		—	108
Loss arising from litigation (Note (iii)) 訴訟產生的虧損(附註(iii))		(11,281)	—
Others 其他		—	280
		24,724	36,695

9. 其他收入、收益及虧損

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

9. OTHER INCOME, GAINS AND LOSSES

(Continued)

Notes:

- (i) For the years ended 31 December 2021, as Forward Investment (PRC) Company Limited (“Forward Investment”) suffered operating loss and no dividend have been declared, the Return Undertaking (as detailed and defined in Note 23(i)) was exercised. As such, a compensation income from the Guarantors (defined in Note 23(i)) of HK\$36,000,000 (2020: HK\$36,000,000) was recognised in the consolidated statement of profit or loss.
- (ii) During the year 31 December 2020, the Group recognised government grant of HK\$108,000 in respect of Covid-19-related subsidies, related to Employment Support Scheme provided by Government of Hong Kong Special Administration Region. There are no conditions attached to the receipt of the government grants and they are non-recurring in nature.
- (iii) According to the court judgement (2019) Jin 0116 Min Chu No.4718 dated 10 March 2021, Tianjin Binhai New Area People’s Court has forced Tianjin Hui Li Yuan Power Equipment Co. Ltd. (“Tianjin Hui Li Yuan”), a non-wholly owned subsidiary of the Group, to repay the outstanding construction expenses with the interests and other related expenses amounted to approximately RMB9,251,000, RMB2,235,000 and RMB107,000 (equivalent to approximately HK\$11,153,000, HK\$2,694,000 and HK\$128,000) respectively.

10. FINANCE COSTS

Interest on interest-bearing borrowing	計息借貸之利息
Default interest on interest-bearing borrowing	計息借貸之拖欠利息
Redemption premium on interest-bearing borrowing	計息借貸之償還溢價
Interest on lease liabilities	租賃負債之利息
Interest on litigation liabilities (as detailed in Note 9(iii))	訴訟負債之利息 詳見附註9(iii)

9. 其他收入、收益及虧損 (續)

附註：

- (i) 截至二零二一年十二月三十一日止年度，由於泰和投資(中國)有限公司(「泰和投資」)承受經營虧損且並無宣派股息，回報承諾(於附註23(i)詳述及界定)獲履行。因此，來自擔保人(定義見附註23(i))的補償收入36,000,000港元(二零二零年：36,000,000港元)將於綜合損益表確認。
- (ii) 截至二零二零年十二月三十一日止年度，本集團確認有關COVID-19相關補貼的政府補貼108,000港元，該補貼與香港特別行政區政府提供的保就業計劃有關。收取政府補貼並無任何附加條件，為非經常性性質。
- (iii) 根據日期為二零二一年三月十日的法院判決(2019)津0116民初4718號，天津市濱海新區人民法院強制要求本集團的非全資附屬公司天津滙力源動力設備有限公司(「天津滙力源」)償還尚未償還建造開支和利息及其他相關開支，金額分別約為人民幣9,251,000元、人民幣2,235,000元及人民幣107,000元(相當於約11,153,000港元、2,694,000港元及128,000港元)。

10. 財務成本

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Interest on interest-bearing borrowing	—	12,166
Default interest on interest-bearing borrowing	67,314	—
Redemption premium on interest-bearing borrowing	90,450	—
Interest on lease liabilities	42	71
Interest on litigation liabilities (as detailed in Note 9(iii))	2,694	—
	160,500	12,237

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

11. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Impairment losses recognised on:	就以下各項確認的減值虧損：		
– Trade receivables	– 應收貿易賬款	65,640	20,547
– Other receivables, deposits and prepayment	– 其他應收款項、按金及預付款項	126,660	20,176
		192,300	40,723

Details of impairment assessment are set out in Note 6(b).

11. 預期信貸虧損模式項下的減值虧損（扣除撥回）

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Impairment losses recognised on:	就以下各項確認的減值虧損：		
– Trade receivables	– 應收貿易賬款	65,640	20,547
– Other receivables, deposits and prepayment	– 其他應收款項、按金及預付款項	126,660	20,176
		192,300	40,723

減值評估的詳情載於附註6(b)。

12. INCOME TAX CREDIT

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Current tax	即期稅項	–	–
Deferred tax	遞延稅項		
Current year	本年度	–	7,417
		–	7,417

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, 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%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

12. 所得稅抵免

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Current tax	即期稅項	–	–
Deferred tax	遞延稅項		
Current year	本年度	–	7,417
		–	7,417

根據香港利得稅兩級制利得稅率制度，合資格集團實體的首2,000,000港元的溢利將按8.25%徵稅，而超過2,000,000港元的溢利將按16.5%徵稅。不符合兩級制利得稅率制度資格之集團實體之溢利將繼續按統一稅率16.5%徵稅。因此，合資格集團實體的首2,000,000港元的估計應課稅溢利將按8.25%徵收香港利得稅，而超過2,000,000港元的估計應課稅溢利將按16.5%徵收香港利得稅。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

12. INCOME TAX CREDIT (Continued)

No provision for Hong Kong Profits Tax has been made as the Group has no estimated assessable profits arising in, nor deriving from Hong Kong 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 PRC subsidiaries is 25% for both years.

No provision for PRC Enterprise Income Tax has been made as the Group had no assessable profit arising in or derived from PRC for both years.

The income tax credit for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Loss before tax	除稅前虧損	(646,610)	(355,914)
Tax calculated at domestic tax rate of 16.5% (2020:16.5%)	按國內稅率16.5% (二零二零年:16.5%) 計算的稅項	(106,691)	(58,726)
Tax effect of share of results of associates	應佔聯營公司業績之 稅務影響	27,977	23,854
Tax effect of expenses not deductible for tax purpose	不可扣減開支之 稅務影響	84,588	48,821
Tax effect of income not taxable for tax purpose	毋須課稅收入之 稅務影響	(5,941)	(6,080)
Tax effect of tax losses not recognised	未確認之稅項虧損的 稅務影響	225	3,876
Utilisation of tax loss not recognised	未確認之已動用稅項虧損	(139)	(45)
Effect of different tax rates of subsidiaries operating in other jurisdiction	於其他司法權區經營的 附屬公司稅率不同之 影響	(19)	(19,117)
Income tax credit	所得稅抵免	-	(7,417)

12. 所得稅抵免 (續)

由於本集團於兩個年度並無於或產生自香港的估計應課稅溢利，故並無作出香港利得稅撥備。

根據《中華人民共和國企業所得稅法》(「《企業所得稅法》」)及《企業所得稅法》的實施條例，中國附屬公司於兩個年度的稅率為25%。

由於本集團於兩個年度均無於中國產生或源自中國的應課稅溢利，故並無就中國企業所得稅作出撥備。

本年度綜合損益表中的所得稅抵免與除稅前虧損之對賬如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

13. LOSS BEFORE TAX

Loss before tax has been arrived at after charging (crediting):

13. 除稅前虧損

除稅前虧損已扣除(計入)下列各項:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Staff costs (including directors' emoluments (Note 14)):	員工成本(包括董事酬金(附註14)):		
– salaries, allowances and benefits in kind	– 薪金、補貼及實物利益	3,314	3,377
– retirement benefits scheme contributions	– 退休福利計劃供款	203	162
Total staff costs	員工成本總額	3,517	3,539
Auditor's remuneration	核數師酬金	1,770	1,000
Depreciation of right-of-use assets	使用權資產折舊	322	323
Depreciation of property, plant and equipment	物業、廠房及設備折舊	9	9
Legal and professional fee	法律及專業費	481	4,596
Cost of inventories recognised as expense	確認為開支的存貨成本	786	124,241
Gross rental income from investment properties	來自投資物業之租金收入總額	(1,311)	(1,295)
Less: Direct operating expenses from investment properties that generated rental income during the year	減: 年內產生租金收入之投資物業之直接經營開支	360	342
		(951)	(953)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

14. DIRECTORS' EMOLUMENTS AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the years, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

14. 董事及最高行政人員酬金

董事及最高行政人員之年內酬金根據適用上市規則及香港公司條例之規定披露如下：

		Salaries, allowances and benefits in kind	Retirement benefit scheme contribution	Total
		薪金、補貼及實物利益	退休福利計劃供款	合計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
For the year ended 31 December 2021		截至二零二一年十二月三十一日止年度		
Executive directors:		執行董事：		
Xu Xiao Jun (Chairman and Chief Executive Officer) (Resigned on 18 September 2023)	徐小俊 (主席兼行政總裁) (於二零二三年九月十八日辭任)	-	-	-
Ye De Chao ("Mr. Ye")	業德超 (「業先生」)	-	-	-
Lu Yi (Appointed as executive director on 12 August 2021 and chairman on 1 August 2023)	盧翊 (於二零二一年八月十二日獲委任為執行董事及於二零二三年八月一日獲委任為主席)	-	-	-
Ji Xu Dong (Resigned on 12 August 2021)	季旭東 (於二零二一年八月十二日辭任)	-	-	-
		-	-	-
Independent non-executive directors:		獨立非執行董事：		
He Jin Geng	何金耿	120	-	120
Yu Hong Gao	郁紅高	120	-	120
Chen Yang	陳洋	120	-	120
		360	-	360
Total	合計	360	-	360

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

14. DIRECTORS' EMOLUMENTS AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

14. 董事及最高行政人員酬金 (續)

	Directors' Fees	Salaries, allowances and benefits in kind	Retirement benefit scheme contribution	Total
	董事袍金	薪金、補貼及實物利益	退休福利計劃供款	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
For the year ended 31 December 2020	截至二零二零年十二月三十一日止年度			
Executive directors:	執行董事：			
Xu Xiao Jun (Chairman and Chief Executive Officer)	徐小俊 (主席兼行政總裁)	-	-	-
Mr. Ye	葉先生	-	-	-
Ji Xu Dong	季旭東	-	-	-
		-	-	-
Independent non-executive directors:	獨立非執行董事：			
He Jin Geng	何金耿	120	-	120
Yu Hong Gao	郁紅高	120	-	120
Chen Yang	陳洋	120	-	120
		360	-	360
Total	合計	360	-	360

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

14. DIRECTORS' EMOLUMENTS AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

Notes:

- (a) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.
- (b) The independent non-executive directors' emoluments shown above were for their services as Directors.
- (c) No chief executive of the Company was appointed for the years ended 31 December 2021 and 31 December 2020.
- (d) There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the years ended 31 December 2021 and 31 December 2020.
- (e) During the years ended 31 December 2021 and 2020, no emoluments were paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office.

Except for those disclosed in material related party transactions in Note 37 to the consolidated financial statements, no other transactions, arrangements and contracts in relation to the Group's business to which the Company or any subsidiaries of the Company was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

14. 董事及最高行政人員酬金

(續)

附註：

- (a) 以上執行董事的酬金乃關於其在管理本公司及本集團事務上提供的服務。
- (b) 以上獨立非執行董事的酬金乃關於其在出任董事上提供的服務。
- (c) 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，概無本公司最高行政人員獲委任。
- (d) 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，概無董事及最高行政人員放棄或同意放棄任何酬金的安排。
- (e) 截至二零二一年及二零二零年十二月三十一日止年度，本集團並無向董事支付任何酬金以作為吸引彼等加入本集團或於加入時之獎勵或作為離職補償。

除於綜合財務報表附註37的重大關連人士交易中所披露交易外，於年末或本年度任何時候概無存續與本公司或本公司之任何附屬公司為關連人士及董事直接或間接擁有重大利益之本集團業務相關的其他交易、安排及合約。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

15. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included three (2020: three) directors, details of whose remuneration are set out in Note 14 to the consolidated financial statements above. Details of the remuneration for the year of the remaining two (2020: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、補貼及實物利益	2,061	1,939
Retirement benefits scheme contributions	退休福利計劃供款	36	36
		2,097	1,975

The number of the highest paid employees who are not the Directors whose remuneration fell within the following bands is as follows:

		Number of employees 僱員人數	
		2021 二零二一年	2020 二零二零年
Nil to HK\$1,000,000	零至1,000,000港元	1	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	1
		2	2

16. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2021, nor has any dividend been proposed since the end of the reporting period (2020: Nil).

15. 五位最高薪酬僱員

年內本集團五位最高薪酬僱員包括三名(二零二零年:三名)董事,其薪酬詳情載於上文綜合財務報表附註14。餘下兩名(二零二零年:兩名)非本公司董事或最高行政人員的最高薪酬僱員之薪酬詳情如下:

薪酬介乎以下範圍的非董事的最高薪酬僱員人數如下:

16. 股息

截至二零二一年十二月三十一日止年度並無向本公司普通股股東派發或擬派發股息,而自報告期末以來亦未派發股息(二零二零年:無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

17. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	(581,677)	(278,857)

	2021 二零二一年 '000 千股	2020 二零二零年 '000 千股
Number of shares Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	4,269,911	4,269,911

No diluted loss per share for both years ended 31 December 2021 and 31 December 2020 were presented as there were no potential ordinary shares in issue for both years ended 31 December 2021 and 31 December 2020.

17. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據下列數據計算：

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	(581,677)	(278,857)

	2021 二零二一年 '000 千股	2020 二零二零年 '000 千股
Number of shares Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	4,269,911	4,269,911

由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均無潛在已發行普通股，故並無呈列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的每股攤薄虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

		Construction in progress	Pipelines	Building	Plant and machinery	Leasehold improvements	Office equipment	Motor vehicles	Furniture and fixtures	Total
		在建工程	管道	樓宇	廠房及機器	租賃物業裝修	辦公室設備	汽車	傢俬及裝置	總計
		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
COST	成本									
At 1 January 2020	於二零二零年一月一日	128,657	107	3,435	4,868	204	692	73	339	138,375
Addition	添置	66,881	-	-	-	-	-	-	-	66,881
Exchange alignments	匯兌調整	17,821	-	-	-	-	-	-	-	17,821
At 31 December 2020	於二零二零年十二月三十一日	213,359	107	3,435	4,868	204	692	73	339	223,077
Written-off	撇銷	-	(107)	(3,435)	(4,868)	(204)	(614)	(73)	(339)	(9,640)
Exchange alignment	匯兌調整	4,238	-	-	-	-	-	-	-	4,238
At 31 December 2021	於二零二一年十二月三十一日	217,597	-	-	-	-	78	-	-	217,675
ACCUMULATED DEPRECIATION AND IMPAIRMENT	累計折舊及減值									
At 1 January 2020	於二零二零年一月一日	8,620	107	3,435	4,868	204	665	73	339	18,311
Provided for the year	本年度撥備	-	-	-	-	-	9	-	-	9
Impairment loss recognised in profit or loss (Note 22)	於損益確認的減值虧損 (附註22)	87,937	-	-	-	-	-	-	-	87,937
Exchange alignment	匯兌調整	5,839	-	-	-	-	-	-	-	5,839
At 31 December 2020	於二零二零年十二月三十一日	102,396	107	3,435	4,868	204	674	73	339	112,096
Provided for the year	本年度撥備	-	-	-	-	-	9	-	-	9
Written-off	撇銷	-	(107)	(3,435)	(4,868)	(204)	(614)	(73)	(339)	(9,640)
Impairment loss recognised in profit or loss (Note 22)	於損益確認的減值虧損 (附註22)	113,999	-	-	-	-	-	-	-	113,999
Exchange alignment	匯兌調整	1,202	-	-	-	-	-	-	-	1,202
At 31 December 2021	於二零二一年十二月三十一日	217,597	-	-	-	-	69	-	-	217,666
CARRYING VALUES	賬面值									
At 31 December 2021	於二零二一年十二月三十一日	-	-	-	-	-	9	-	-	9
At 31 December 2020	於二零二零年十二月三十一日	110,963	-	-	-	-	18	-	-	110,981

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

18. PROPERTY, PLANT AND EQUIPMENT

(Continued)

The above items of property, plant and equipment, except for construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Pipelines	3 $\frac{1}{3}$ %
Building	2 – 33 $\frac{1}{3}$ % or over the lease term, if shorter
Plant and machinery	10 – 20%
Leasehold improvements	Over the lease term
Office equipment	10 – 20%
Motor vehicles	10 – 20%
Furniture and fixtures	10 – 20%

The carrying value of land under construction-in-progress was held under medium-term lease in the PRC.

Certain properties under construction were pledged to secure a loan granted to an independent third party in the sum of approximately HK\$97,960,000 (2020: HK\$95,352,000) (equivalent to RMB80,000,000 (2020: RMB80,000,000)). The carrying amount of the pledged properties were HK\$Nil (2020: approximately HK\$110,882,000) as at 31 December 2021. Further details are set out in Note 36 to the consolidated financial statements.

18. 物業、廠房及設備 (續)

上述物業、廠房及設備項目(在建工程除外)按以下年率以直線基準折舊:

管道	3 $\frac{1}{3}$ %
樓宇	2 – 33 $\frac{1}{3}$ %或按租期(以較短者為準)
廠房及機器	10 – 20%
租賃物業裝修	按租期
辦公室設備	10 – 20%
汽車	10 – 20%
傢俬及裝置	10 – 20%

在建工程土地之賬面值為於中國按中期租約持有。

若干在建物業被抵押，作為授予一名獨立第三方總額約97,960,000港元(二零二零年:95,352,000港元)(相當於人民幣80,000,000元(二零二零年:人民幣80,000,000元))貸款的擔保。於二零二一年十二月三十一日，抵押物業的賬面值為零港元(二零二零年:約110,882,000港元)。進一步詳情載於綜合財務報表附註36。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

19. RIGHT-OF-USE ASSETS

19. 使用權資產

		Leased properties 租賃物業 HK\$'000 千港元	
At 1 January 2020	於二零二零年一月一日		
Carrying amount	賬面值		913
Depreciation charge	折舊費用		(323)
At 31 December 2020	於二零二零年十二月三十一日		
Carrying amount	賬面值		590
Depreciation charge	折舊費用		(322)
At 31 December 2021	於二零二一年十二月三十一日		
Carrying amount	賬面值		268
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Total cash outflow for leases	租賃現金流出總額	369	368

For both years, the Group leases leasehold offices for its operations. Lease contracts are entered into for fixed term of 2 years (2020: 2 years). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

於該兩年內，本集團租賃租賃辦公室用於營運。租賃合約按兩年（二零二零年：兩年）的固定租期訂立。租期均單個協商，包括不同條款及條件。釐定租期及評估不可撤銷期限的長度時，本集團應用合約定義並釐定合約可執行的期限。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

19. RIGHT-OF-USE ASSETS (Continued)

Lease liabilities of approximately HK\$296,000 (2020: HK\$623,000) are recognised with related right-of-use assets of approximately HK\$268,000 (2020: HK\$590,000) at 31 December 2021. 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.

20. INVESTMENT PROPERTIES

19. 使用權資產 (續)

已確認租賃負債約296,000港元(二零二零年: 623,000港元), 涉及於二零二一年十二月三十一日的使用權資產約268,000港元(二零二零年: 590,000港元)。租賃協議並不施加除出租人所持有租賃資產中的擔保權益以外的任何契諾。租賃資產不得用作借貸擔保。

20. 投資物業

		Investment properties 總計 HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日	60,892
Addition	添置	67,432
Decrease in fair value recognised in the profit and loss	於損益確認的公平值減少	(77,966)
Exchange alignment	匯兌調整	3,424
At 31 December 2020	於二零二零年十二月三十一日	53,782
Increase (decrease) in fair value recognised in the profit and loss	於損益確認的公平值增加(減少)	(24,944)
Exchange alignment	匯兌調整	978
At 31 December 2021	於二零二一年十二月三十一日	29,816

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

20. INVESTMENT PROPERTIES (Continued)

Net unrealised loss on property revaluation included in profit or loss 計入損益之物業重估未變現虧損淨額

As at 31 December 2021 and 2020, all the investment properties are located and leased in the PRC held under medium-term lease.

The Group is not exposed to foreign currency risk as a result of lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

The Group leases out various industrial properties under operating leases with rentals payable monthly. The leases typically run for an initial period of 1 to 5 years (2020: 1 to 5 years).

In determining the fair value of the relevant properties and land use right, the Group engages third party qualified valuer to perform the valuation. The Directors work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The fair value of all of the Group's investment properties as at 31 December 2021 has been arrived at on the basis of a valuation carried out on the respective dates by Valtech Valuation Advisory Limited ("Valtech") (2020: Sino-Infinite Appraisal Limited ("Sino-Infinite")), an independent qualified professional valuer not connected to the Group.

20. 投資物業 (續)

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
	(24,944)	(77,966)

於二零二一年及二零二零年十二月三十一日，所有投資物業均位於中國及於中國根據中期租賃持有。

由於所有租賃均以集團實體各自的功能貨幣計值，故本集團並未因租賃安排而面臨外幣風險。租賃合約不包含剩餘價值擔保及／或承租人於租期結束時可購買物業的選擇權。

本集團根據經營租賃按每月付租出租多項工業物業。租賃通常初始年期為1至5年（二零二零年：1至5年）。

於釐定相關物業及土地使用權的公平值時，本集團委聘第三方合資格估值師進行估值。董事與合資格外部估值師密切合作以確定合適的估值方法及模型的輸入數據。本集團所有投資物業於二零二一年十二月三十一日的公平值乃根據與本集團並無關連的獨立合資格專業估值師方程評估有限公司（「方程」）（二零二零年：中源評估有限公司（「中源」））於相關日期進行的估值而達致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

20. INVESTMENT PROPERTIES (Continued)

The Group changed the valuation technique for the fair value estimation of its industrial properties in PRC from direct comparison adopted for the prior year to Depreciated Replacement Cost (“DRC”) approach adopted for the current year due to the nature of buildings and structures, and absence of sufficient market data, therefore the DCR approach is adopted.

The market value of land use right assuming sale of the lands in its existing state by making reference to comparable sales transactions as available in the relevant market. Comparison is based on the considerations realized on actual transactions of comparable lands. Comparable lands with similar sizes, characters and locations are analyzed and carefully weighed against all respective advantage and disadvantage of each land in order to arrive at fair comparison of value.

For the year ended 31 December 2020, valuations were based on direct comparison approach, which is adopted assuming sales of these properties in its existing state with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as location and property size.

The following table gives information about how the fair values of the investment properties as at 31 December 2021 and 2020 are determined (in particular, the valuation techniques and inputs used):

20. 投資物業 (續)

本集團變更其於中國的工業物業公平價值估計的估值方法，從過往年度採納的直接比較改為本年度採納的折舊後重置成本法（「折舊後重置成本法」）。由於樓宇性質及架構以及缺乏充足的市價，故採納折舊後重置成本法。

土地使用權的市值乃假設以其現有狀況出售土地並參考相關市場上可資比較銷售交易。比較根據可資比較土地的實際交易代價作出。具有類似規模、特徵及位置的可資比較土地就各土地的所有優勢及劣勢進行分析及謹慎考慮，以達至公平的比較價值。

截至二零二零年十二月三十一日止年度，估值乃採用直接比較法進行，假設該等物業各自按現況交吉出售。經參考有關市場的銷售交易，選擇鄰近地區的可資比較物業並就位置及物業規模等因素的差異作出調整。

下表提供投資物業於二零二一年及二零二零年十二月三十一日的公平價值釐定方法的資料（尤其是估值方法及所用輸入數據）：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

20. INVESTMENT PROPERTIES (Continued)

In estimating the fair value of the investment properties, the highest and best use of investment properties is their current use.

For the year ended 31 December 2021

Investment properties held by the Group 本集團所持投資物業	Fair value 公平值	Fair value hierarchy 公平值層級	Valuation technique 估值方法	Significant unobservable inputs 重大不可觀察輸入項目	Sensitivity 敏感度
	2021 二零二一年 HK\$'000 千港元				
Investment properties located in the PRC – industrial building 位於中國的投資物業 – 工業樓宇	22,053	Level 3 第三級	Depreciated replacement cost approach 折舊後重置成本法	Replacement unit cost rate of RMB1,564/m ² 重置成本每平方米人民幣1,564元	A significant increase in unit cost rate used would result in significant increase in fair value, and vice versa 所用單價大幅增長將導致公平值大幅增加，反之亦然
Land use right located in the PRC 位於中國的土地使用權	7,763	Level 3 第三級	Direct comparison approach 直接比較法	Market unit rate RMB423/m ² (2021: RMB436/m ²) 市價為每平方米人民幣423元 (二零二一年：每平方米人民幣436元)	A significant increase in market unit rate used would result in significant increase in fair value, and vice versa 所用市價大幅增長將導致公平值大幅增加，反之亦然

20. 投資物業 (續)

估計投資物業之公平值時，投資物業之最高及最佳用途為其當前用途。

截至二零二一年十二月三十一日止年度

For the year ended 31 December 2020

Investment properties held by the Group 本集團所持投資物業	Fair value 公平值	Fair value hierarchy 公平值層級	Valuation technique 估值方法	Significant unobservable inputs 重大不可觀察輸入項目	Sensitivity 敏感度
	2020 二零二零年 HK\$'000 千港元				
Investment properties located in the PRC – industrial building 位於中國的投資物業 – 工業樓宇	52,086	Level 3 第三級	Direct Comparison approach 直接比較法	Market unit rate from RMB3,000/m ² to RMB4,200/m ² 市價介於每平方米人民幣3,000元至每平方米人民幣4,200元	A significant increase in market unit rate used would result in significant increase in fair value, and vice versa 所用市價大幅增長將導致公平值大幅增加，反之亦然

The fair value measurement is categorised into Level 3 fair value hierarchy. There were no transfers into or out of Level 3 during the year.

公平值計量分為第三級公平值層級。年內概無第三級轉入或轉出。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

20. INVESTMENT PROPERTIES (Continued)

The future aggregate minimum rental receivables under non-cancellable operating leases are as follows:

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
No later than 1 year 一年內	1,265	713
Later than 1 year and no later than 5 years 一年後至五年內	611	798
	1,876	1,511

During the year ended 31 December 2021, the investment properties are all located in the PRC and have lease periods less than 5 years (2020: 5 years).

20. 投資物業 (續)

根據不可撤銷經營租賃的未來最低應收租金總額如下：

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
No later than 1 year 一年內	1,265	713
Later than 1 year and no later than 5 years 一年後至五年內	611	798
	1,876	1,511

截至二零二一年十二月三十一日止年度，投資物業均位於中國，且租期少於5年（二零二零年：5年）。

21. GOODWILL

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Cost At 1 January and 31 December	成本 於一月一日及 十二月三十一日	
	79,909	79,909
Accumulated impairment losses At 1 January and 31 December	累計減值虧損 於一月一日及 十二月三十一日	
	79,909	79,909
Carrying amounts At 31 December	賬面值 於十二月三十一日	
	—	—

21. 商譽

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Cost At 1 January and 31 December	成本 於一月一日及 十二月三十一日	
	79,909	79,909
Accumulated impairment losses At 1 January and 31 December	累計減值虧損 於一月一日及 十二月三十一日	
	79,909	79,909
Carrying amounts At 31 December	賬面值 於十二月三十一日	
	—	—

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

21. GOODWILL (Continued)

For the purpose of impairment testing, goodwill was allocated to two cash-generating units under the properties investment segment, as follows:

		Properties Investment Segment 物業投資分部			
		Success Take Limited Success Take Limited		Tianjin Jun Hua Logistics Company Limited 天津俊華物流有限公司	
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Gross amount	總額	27,118	27,118	52,791	52,791
Less: Accumulated impairment losses	減：累計減值虧損	(27,118)	(27,118)	(52,791)	(52,791)
Net carrying amount	賬面淨值	-	-	-	-

21. 商譽 (續)

就減值測試而言，商譽被分配至物業投資分部下的兩個現金產生單位，如下：

22. IMPAIRMENT ASSESSMENT

CONSTRUCTION IN PROGRESS INCLUDED IN PROPERTY, PLANT AND EQUIPMENT

The recoverable amount of the construction in progress included in property, plant and equipment with carrying amount of HK\$ Nil (2020: HK\$110,963,000), within the properties investment segments, is estimated individually.

For the year ended 31 December 2021

Subsequent to the year ended 31 December 2021, on 30 March 2022, 天津市南開區人民法院 (Tianjin Nankai District People's Court*) made a judgement (the "Judgement") that amongst other things, the Borrower (as defined in Note 36) shall compensate 天津物產進出口貿易有限公司 (Tianjin Product Import & Export Trading Co., Ltd.*) ("Tianjin Trading"), being a party which the Lender has transferred its interest in the Loan (as defined in Note 36) to Tianjin Trading. If the Borrower fail to compensate Tianjin Trading, Tianjin Hui Li Yuan shall bear the shortfall amount by the proceed from sale of the Tianjin Properties (as defined in Note 36). As a result, the Tianjin Properties were fully impaired and impairment loss of approximately HK\$113,919,000 was recognised during the year ended 31 December 2021.

22. 減值評估

計入物業、廠房及設備的 在建工程

計入物業、廠房及設備的賬面值為零港元 (二零二零年：110,963,000港元) 的在建工程 (於物業投資分部內) 可收回金額進行單獨估計。

截至二零二一年十二月三十一日止年度

於截至二零二一年十二月三十一日止年度之後，天津市南開區人民法院於二零二二年三月三十日作出判決 (「判決」)，其中包括，借款人 (定義見附註36) 須補償天津物產進出口貿易有限公司 (即獲貸方轉讓其於該貸款 (定義見附註36) 權益之一方) (「天津貿易」)。倘借款人未能補償天津貿易，天津匯力源須以出售天津物業 (定義見附註36) 之所得款項承擔差額。因此，天津物業悉數減值，減值虧損約113,919,000港元於截至二零二一年十二月三十一日止年度確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

22. IMPAIRMENT ASSESSMENT (Continued)

CONSTRUCTION IN PROGRESS INCLUDED IN PROPERTY, PLANT AND EQUIPMENT

(Continued)

For the year ended 31 December 2020

During the year ended 31 December 2020, the Group performed impairment assessment on construction in progress included in property, plant and equipment by determining its recoverable amount with reference to fair value less costs of disposal. The fair value of the construction in progress has been determined with reference to valuation carried out by Sino-Infinite, which used direct comparison approach, which the market price per square meter was approximately RMB4,100 to RMB4,500. The Group recognised impairment loss of approximately HK\$87,937,000 in respect of property, plant and equipment.

If the market price per square meter decrease by 5%, while other parameters remain constant, a further impairment loss of approximately HK\$4,500,000 would be recognised.

The fair value of all of the Group's property, plant and equipment as at 31 December 2020 has been arrived at on the basis of a valuation carried out on the respective dates by Sino-Infinite Appraisal Limited ("Sino-Infinite"), an independent qualified professional valuer not connected to the Group. In determining the fair value of the relevant properties, the Group engages third party qualified valuer to perform the valuation. The Directors work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Valuations were based on direct comparison approach, which is adopted assuming sales of these properties in its existing state with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as location and property size.

22. 減值評估 (續)

物業、廠房及設備項下在建工程 (續)

截至二零二零年十二月三十一日止年度

截至二零二零年十二月三十一日止年度，本集團通過參照計入物業、廠房及設備的在建工程的公平值減出售成本確定其可收回金額進行減值評估。在建工程的公平值乃參照中源所進行之估值確定，該估值採用直接比較法，每平方米市價約人民幣4,100元至人民幣4,500元。本集團就物業、廠房及設備確認減值虧損約87,937,000港元。

倘每平方米市價下跌5%，而其他參數維持不變，則將會進一步確認減值虧損約4,500,000港元。

本集團物業、廠房及設備於二零二零年十二月三十一日的公平值乃根據與本集團並無關連的獨立合資格專業估值師中源評估有限公司（「中源」）於相關日期進行的估值而達致。於釐定相關物業的公平值時，本集團委聘第三方合資格估值師進行估值。董事與合資格外部估值師密切合作以確定合適的估值方法及模型的輸入數據。

估值乃採用直接比較法進行，假設該等物業各自按現況交吉出售。經參考有關市場的銷售交易，選擇鄰近地區的可資比較物業並就位置及物業規模等因素的差異作出調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. INTERESTS IN ASSOCIATES

23. 於聯營公司之權益

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Unlisted investment, at cost	按成本計量之非上市投資	354,124	354,124
Share of post-acquisition losses	應佔收購後虧損	(368,123)	(198,565)
Share of other comprehensive income	應佔其他全面收益	14,831	11,550
At 31 December	於十二月三十一日	832	167,109

Details of the Group's associates at the end of the reporting period are as follow:

於報告期末本集團聯營公司的詳情如下：

Name 名稱	Place of incorporation and principal place of operation 註冊成立地點及 主要營業地點	Proportion of ownership interest held by the Group 本集團持有股權之比例		Proportion of voting power held by the Group 本集團持有投票權之比例		Principal activities 主要業務
		2021 二零二一年	2020 二零二零年	2021 二零二一年	2020 二零二零年	
		Direct associate 直接聯營公司				
Forward Investment 泰和投資	Hong Kong 香港	40%	40%	40%	40%	Investment holding 投資控股
Indirect associate 間接聯營公司						
Nanjing Taihe Yingke Trading Group Company Limited* (Formerly known as Nanjing Taihe Yingke Property Company Limited*) 南京泰和盈科商貿集團有限公司 (前稱南京泰和盈科置業有限公司)	The PRC 中國	40%	40%	40%	40%	Property development and property investment 物業開發及物業投資

As at 31 December 2021 and 2020, the Group's interests in associates represent 40% equity interests in Forward Investment and its subsidiary (together, the "Forward Investment Group").

於二零二一年及二零二零年十二月三十一日，本集團於聯營公司之權益指於泰和投資及其附屬公司（「泰和投資集團」）之40%股權。

* For identification purpose only

* 僅供識別

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. INTERESTS IN ASSOCIATES (Continued)

Details of Forward Investment are as follows:

- (i) On 27 September 2012, Keen Gate Developments Limited, a wholly-owned subsidiary of the Company, entered into a subscription agreement to subscribe approximately 40% equity interests in Forward Investment (the “Subscription”). The Subscription was completed on 10 December 2012.

Pursuant to the subscription agreement, Mr. Ye, one of the Directors, and the original beneficial owner of Forward Investment (collectively referred to as the “Guarantors”) jointly and severally guaranteed the dividend income distributed by Forward Investment to the Group. The Guarantors will provide compensation income to the Group if the dividend income from Forward Investment is lower than HK\$36,000,000 (12% of the consideration of the Subscription) per annum (the “Return Undertaking”). The guarantee will be valid from the completion date (10 December 2012) of the Subscription and up to the Group ceases to be a shareholder of Forward Investment. During the year ended 31 December 2021, the compensation income of HK\$36,000,000 (2020: HK\$36,000,000) was recognised in the consolidated statement of profit or loss.

23. 於聯營公司之權益 (續)

泰和投資詳情如下：

- (i) 於二零一二年九月二十七日，本公司一家全資附屬公司建基發展有限公司訂立一份認購協議以認購泰和投資之約40%股權（「認購事項」）。認購事項已於二零一二年十二月十日完成。

根據認購協議，董事之一業先生及泰和投資之原實益擁有人（統稱為「擔保人」）共同及個別擔保泰和投資向本集團分派之股息收入。倘泰和投資提供之年度股息收入低於36,000,000港元（認購事項代價之12%），擔保人將向本集團提供補償收入（「回報承諾」）。該擔保將自認購事項完成日期（二零一二年十二月十日）起直至本集團不再為泰和投資股東止期間有效。於截至二零二一年十二月三十一日止年度，補償收入36,000,000港元（二零二零年：36,000,000港元）已於綜合損益表中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. INTERESTS IN ASSOCIATES (Continued)

- (ii) In accordance with 江寧國土資預審函(2019)16號文 (the Jiangning Land Resources Preliminary Review Letter (2019) Document No. 16*) issued on 11 November 2019, 南京市國土資源局江寧分局 (Jiangning Branch of Nanjing Department of Land and Resources*) approved the project scope of “南京市江寧區金牛山增壓站二期工程 (Phase II Project of Jinniushan Supercharging Station*)” in Jiangning District, Nanjing Jiangsu Province, the PRC (the “Jinniushan Project”). The project scope includes the land under development (the “Guli Project”) held by the Forward Investment Group located in Guli community Jiangning District, Nanjing, Jiangsu Province, the PRC.

During the year ended 31 December 2021, in order for the Jinniushan Project to proceed, 谷里社區居民委員會 (Guli Community Residents Committee*) (“Guli Committee”) entered into a compensation agreement with 南京泰和盈科置業有限公司 (Nanjing Taihe Yingke Property Company Limited*) (“Nanjing Taihe”), a wholly-owned subsidiary of Forward Investment, pursuant to which Guli Committee offer to compensate Nanjing Taihe for the land resumption (the “Land Resumption”) for approximately RMB18,619,000 and Nanjing Taihe accepted the offer. Therefore, Naning Taihe recognised a loss on disposal of construction in progress included in property, plant and equipment amounted to approximately HK\$121,161,000 resulted from the Land Resumption during the year ended 31 December 2021.

- (iii) Summarised financial information in respect of the Forward Investment Group is set out below. The summarised financial information below represents amounts shown in the associate’s financial statements prepared in accordance with HKFRSs.

The associates are accounted for using the equity method in these consolidated financial statements.

23. 於聯營公司之權益 (續)

- (ii) 根據於二零一九年十一月十一日頒發的江寧國土資預審函(2019)16號文·南京市國土資源局江寧分局批准中國江蘇省南京市江寧區金牛山增壓站二期工程(「金牛山項目」)的項目範圍。項目範圍包括位於中國江蘇省南京市江寧區谷里社區由泰禾投資集團持有的開發中土地(「谷里項目」)。

截至二零二一年十二月三十一日止年度,為使金牛山項目得以進行,谷里社區居民委員會(「谷里社區」)與泰和投資的全資附屬公司南京泰和盈科置業有限公司(「南京泰和」)訂立補償協議,據此,谷里社區就收回土地(「土地收回」)向南京泰和提供補償約人民幣18,619,000元,南京泰和接受補償。因此,南京泰和於截至二零二一年十二月三十一日止年度確認由土地收回產生的出售在建工程(包括物業、廠房及設備)虧損約121,161,000港元。

- (ii) 有關泰和投資集團的財務資料概要載列如下。以下財務資料概要表示根據香港財務報告準則編製的聯營公司財務報表中顯示的金額。

該等聯營公司均在綜合財務報表中使用權益法進行會計處理。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

23. INTERESTS IN ASSOCIATES (Continued)

(ii) (Continued)

Forward Investment Group

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Non-current assets	非流動資產	6,869	125,467
Current assets	流動資產	112,550	321,997
Current liabilities	流動負債	(117,340)	(29,694)
Net assets	資產淨值	2,079	417,770
Proportion of the Group's ownership interest in Forward Investment Group	本集團於泰和投資集團的所有權比例	40%	40%
The Group's share of net assets of Forward investment Group	本集團應佔泰和投資集團資產淨值	832	167,109
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Revenue	收益	104	749,496
Loss for the year	年內虧損	(423,893)	(361,422)
Other comprehensive income	其他全面收益	8,202	28,400
Total comprehensive expenses	全面開支總額	(415,691)	(333,022)
Dividend received by the Group	本集團收取的股息	-	-

23. 於聯營公司之權益 (續)

(ii) (續)

泰和投資集團

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Non-current assets	非流動資產	6,869	125,467
Current assets	流動資產	112,550	321,997
Current liabilities	流動負債	(117,340)	(29,694)
Net assets	資產淨值	2,079	417,770
Proportion of the Group's ownership interest in Forward Investment Group	本集團於泰和投資集團的所有權比例	40%	40%
The Group's share of net assets of Forward investment Group	本集團應佔泰和投資集團資產淨值	832	167,109
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Revenue	收益	104	749,496
Loss for the year	年內虧損	(423,893)	(361,422)
Other comprehensive income	其他全面收益	8,202	28,400
Total comprehensive expenses	全面開支總額	(415,691)	(333,022)
Dividend received by the Group	本集團收取的股息	-	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

24. TRADE RECEIVABLES

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Trade receivables	應收貿易賬款	140,568	138,299
Less: Allowance for credit losses	減：信貸虧損撥備	(86,714)	(20,547)
Trade receivables, net	應收貿易賬款淨額	53,854	117,752

As at 1 January 2020, trade receivables from contracts with customers amounted to approximately HK\$18,112,000.

The Group generally allowed an average credit period due within 30 days to its trade debtors. The Group does not hold any collateral over these balances. The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date (or date of revenue recognition, if earlier).

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
0 – 30 days	0至30日	–	2,623
31 – 120 days	31至120日	26	41,006
Over 120 days	120日以上	53,288	74,123
		53,854	117,752

As at 31 December 2021, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$53,828,000 (2020: HK\$117,752,000) which are past due as at the reporting date.

Details of impairment assessment of trade receivables are set out in Note 6(b) to the consolidated financial statements.

24. 應收貿易賬款

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Trade receivables	應收貿易賬款	140,568	138,299
Less: Allowance for credit losses	減：信貸虧損撥備	(86,714)	(20,547)
Trade receivables, net	應收貿易賬款淨額	53,854	117,752

於二零二零年一月一日，來自客戶合約的應收貿易賬款約為18,112,000港元。

本集團一般就應收貿易賬款授予平均30天的信貸期。本集團並無就該等結餘持有任何抵押品。基於發票日期（或收益確認日期，以較早者為準）呈列的經扣除信貸虧損撥備之應收貿易賬款之賬齡分析如下。

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
0 – 30 days	0至30日	–	2,623
31 – 120 days	31至120日	26	41,006
Over 120 days	120日以上	53,288	74,123
		53,854	117,752

於二零二一年十二月三十一日，計入本集團應收貿易賬款結餘為賬面總值約53,828,000港元（二零二零年：117,752,000港元）的債務，其於報告日期逾期。

應收貿易賬款減值評估的詳情載於綜合財務報表附註6(b)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

25. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Notes 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Deposits	按金		123	123
Prepayments	預付款項	(i)	196,529	188,684
Other receivables	其他應收款項		20,871	24,711
Compensation income receivable	應收補償收入	(ii)	36,000	36,000
			253,523	249,518
Less: Allowance for credit losses	減：信貸虧損撥備		(99,980)	(20,176)
			153,543	229,342

Notes:

- (i) The amount represented trade deposit paid for construction materials. Due to the Covid-19 pandemic, the delivery time for the construction materials has been delayed, the Group and the suppliers reached consents to refund the trade deposit paid by the Group during the year ended 31 December 2020.
- (ii) The amount represented compensation income from the Guarantors, details of which has been set out in Notes 23 and 37 to the consolidated financial statements.

Details of impairment assessment of other receivables and deposits are set out in Note 6(b) to the consolidated financial statements.

26. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include demand deposits and short-term deposits for the purpose of meeting the Group's short-term cash commitments, which carry interest at market rates range from 0.01% to 0.35% (2020: 0.01% to 0.35%).

25. 其他應收款項、按金及預付款項

附註：

- (i) 該金額為就建築材料支付的貿易按金。由於COVID-19疫情，建築材料的交付時間已延遲，本集團與供應商同意退還本集團截至二零二零年十二月三十一日止年度已支付的貿易按金。
- (ii) 該金額指來自擔保人的補償收入，有關詳情載於綜合財務報表附註23及37。

其他應收款項及按金減值評估的詳情載於綜合財務報表附註6(b)。

26. 現金及現金等值物

現金及現金等值物包括活期存款及短期存款，旨在滿足本集團之短期現金承擔，其以介乎0.01%至0.35%（二零二零年：0.01%至0.35%）之市場利率計息。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

26. CASH AND CASH EQUIVALENTS (Continued)

Included in the cash and cash equivalents are the following amounts which are subject to foreign exchange control regulations and not freely transferable:

Amounts denominated in RMB 以人民幣計值的金額

Details of impairment assessment of bank balances are set out in Note 6(b).

27. TRADE PAYABLES

Trade payables

The following is an aged analysis of trade payables presented based on the invoice date:

Over 90 days

The average credit period granted by suppliers is 30 days.

26. 現金及現金等值物 (續)

現金及現金等值物包括以下金額，其須遵守外匯管制法規，不可自由轉換：

2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
1,833	17,723

有關銀行結餘的減值評估詳情載於附註6(b)。

27. 應付貿易賬款

2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
14,660	15,579

以下為基於發票日期呈列的應付貿易賬款之賬齡分析：

2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
14,660	15,579

供應商授予的平均信貸期為30日。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

28. ACCRUALS AND OTHER PAYABLES

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Amounts due to associates (Note (a))	應付聯營公司款項 (附註(a))	2,863	2,550
Accruals and other payables (Note (b))	應計費用及其他應付款項 (附註(b))	224,084	63,299
Litigation liabilities (Note 9(iii))	訴訟負債 (附註9(iii))	14,196	—
Amount due to a substantial shareholder (Note (c))	應付一名主要股東款項 (附註(c))	5,219	9,334
		246,362	75,183

Notes:

- (a) The amounts due to associates were unsecured, non-interest bearing and have no fixed terms of repayments.
- (b) As at 31 December 2021, included in accruals and other payables of approximately HK\$104,964,000 (2020: HK\$37,657,000) and HK\$90,450,000 (2020: HK\$Nil) represented the interest payables and redemption premium payable in relation to the HK\$115 million interest-bearing borrowing (Note 29).
- (c) Amount due to a substantial shareholder was unsecured, non-interest bearing and have no fixed terms of repayments.

28. 應計費用及其他應付款項

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Amounts due to associates (Note (a))	2,863	2,550
Accruals and other payables (Note (b))	224,084	63,299
Litigation liabilities (Note 9(iii))	14,196	—
Amount due to a substantial shareholder (Note (c))	5,219	9,334
	246,362	75,183

附註：

- (a) 應付聯營公司款項為無抵押、免息及無固定還款期。
- (b) 於二零二一年十二月三十一日，計入應計費用及其他應付款項的約104,964,000港元（二零二零年：37,657,000港元）及90,450,000港元（二零二零年：零港元）指有關115,000,000港元計息借款的應付利息及應付償還溢價（附註29）。
- (c) 應付一名主要股東款項為無抵押、免息及無固定還款期。

29. INTEREST-BEARING BORROWING

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Borrowing, secured	借貸，有抵押	115,000	115,000
The carrying amount of above secured borrowing contain a repayment on demand clause (shown under current liabilities):	以上載有按要求償還條款之有抵押借貸之賬面值（於流動負債下列示）：		
– Within one year	— 一年內	115,000	115,000

29. 計息借貸

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Borrowing, secured	115,000	115,000
The carrying amount of above secured borrowing contain a repayment on demand clause (shown under current liabilities):		
– Within one year	115,000	115,000

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

29. INTEREST-BEARING BORROWING (Continued)

At 31 December 2021 and 2020, the borrowing was secured by pledged shares of the Company held by Mr. Ye, one of the Directors, pledged shares of related companies, in which Mr. Ye is the beneficial shareholder, pledged deposit and personal guarantee by Mr. Ye.

The interest-bearing borrowing was expired during the year ended 31 December 2019.

During the year ended 31 December 2020, the Group breached certain of the terms of the borrowings which are primarily related to the net asset value of the Group and the Group has obtained consent (the "Consent") from the relevant lender to waive the financial covenant concerned and not to demand for immediate repayment of such borrowing.

However, no such Consent is granted by the relevant lender to the Group for the year ended 31 December 2021, as a result the interest-bearing borrowing carried default interest at 20% per annum with redemption premium result in an internal rate of return of 20% from the borrowing utilisation date to the date when the Company fully repaid the borrowing.

29. 計息借貸 (續)

於二零二一年及二零二零年十二月三十一日，借貸由董事之一業先生持有的本公司已抵押股份、業先生為其實益股東的相關公司之已抵押股份、按金抵押及業先生提供的個人擔保作抵押。

截至二零一九年十二月三十一日止年度，計息銀行借款到期。

於截至二零二零年十二月三十一日止年度，本集團違反若干借貸條款（主要與本集團資產淨值有關），而本集團已取得相關貸款人同意（「同意」）豁免有關財務契諾及不要求即時償還有關借款。

然而，相關貸款人並無就截至二零二一年十二月三十一日止年度向本集團授出有關同意，因此，計息借款按20%的年利率計算拖欠利息，加上償還溢價，導致自借款使用日期起至本公司悉數償還借款當日的內部回報率為20%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

30. LEASE LIABILITIES

30. 租賃負債

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Lease liabilities payable:	應付租賃負債：		
Within one year	一年內	296	327
Within a period of more than one year but not exceeding two years	一年以上但不超過兩年	—	296
		296	623
Less: Amount due for settlement with 12 months shown under current liabilities	減：於流動負債下列示之 12個月內到期結算的金額	(296)	(327)
Amount due for settlement after 12 months shown under non-current liabilities	於非流動負債下列示之 12個月之後到期結算的金額	—	296

The incremental borrowing rates applied to lease liabilities is 9.38% (2020: 9.38%)

適用於租賃負債之增量借款利率為 9.38% (二零二零年：9.38%)。

31. DEFERRED TAX LIABILITIES

31. 遞延稅項負債

		Investment properties 投資物業 HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日	7,369
Credit to profit or loss (Note 12)	計入損益(附註12)	(7,417)
Exchange alignment	匯兌調整	48
At 31 December 2020 and 2021	於二零二零年及 二零二一年十二月三十一日	—

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

31. DEFERRED TAX LIABILITIES (Continued)

At 31 December 2021, the Group had unused estimated tax losses of approximately HK\$25,265,000 (2020: HK\$24,745,000) available for offsetting against future taxable profits. The unused estimated tax losses could be carried forward indefinitely except for the tax losses arising in the PRC of approximately HK\$20,039,000 (2020: HK\$19,519,000) that will expire in five years for offsetting against future taxable profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

32. EMPLOYEE RETIREMENT BENEFITS

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs capped at HK\$1,500 (2020: HK\$1,500) per month to MPF Scheme in which the contribution is matched by employees.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiary is required to contribute certain 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 scheme is to make the specified contributions.

The total expense recognised in profit or loss of approximately HK\$203,000 (2020: HK\$162,000) represents contributions paid and payable to these schemes by the Group at rates specified in the rules of the relevant schemes. As at 31 December 2021, contributions of approximately HK\$104,000 (2020: HK\$Nil) due in respect of the year ended 31 December 2021 had not been paid to these Schemes.

At 31 December 2021 and 31 December 2020, the Group had no forfeited contribution available to reduce its contributions to the retirement benefit schemes in future years.

31. 遞延稅項負債 (續)

於二零二一年十二月三十一日，本集團的未動用估計稅項虧損約25,265,000港元（二零二零年：24,745,000港元）可供抵銷未來應課稅溢利。未動用估計稅項虧損可無限期結轉，惟在中國產生的稅項虧損約20,039,000港元（二零二零年：19,519,000港元）除外，其將在五年內到期及可抵銷未來應課稅溢利。由於未能預測未來溢利流，因此並無就稅項虧損確認遞延稅項資產。

32. 僱員退休福利

本集團為所有合資格香港僱員經營一項強制性公積金計劃（「強積金計劃」）。該計劃之資產與本集團之資產分開，並以受託人管理之基金持有。本集團每月向強積金計劃作出有關薪金成本5%的供款，上限為1,500港元（二零二零年：1,500港元），其中，供款與僱員匹配。

本集團中國附屬公司之僱員參與中國政府經營之國家管理的退休福利計劃。上述附屬公司須向該退休福利計劃作出薪金成本之若干百分比的供款，為有關福利提供資金。本集團涉及退休福利計劃之唯一責任為作出規定供款。

於損益確認之開支總額約203,000港元（二零二零年：162,000港元）為本集團按有關計劃之規則所訂明之比率已付及應付該等計劃之供款。於二零二一年十二月三十一日，就截至二零二一年十二月三十一日止年度應付之供款約104,000港元（二零二零年：零港元）尚未支付予該等計劃。

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，本集團並無已沒收供款可用於削減其於未來幾年向退休福利計劃作出的供款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

33. SHARE CAPITAL

33. 股本

	Number of shares 股份數目		Nominal value 面值	
	2021 二零二一年 '000 千股	2020 二零二零年 '000 千股	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Ordinary shares of HK\$0.05 each 每股面值0.05港元之普通股				
Authorised: At 1 January and 31 December 法定： 於一月一日及十二月三十一日	10,000,000	10,000,000	500,000	500,000
Issued and fully paid: At 1 January and 31 December 已發行及繳足： 於一月一日及十二月三十一日	4,269,911	4,269,911	213,496	213,496

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the subsidiaries directly and indirectly held by the Company as at 31 December 2021 and 2020 are set out below:

34. 本公司主要附屬公司詳情

於二零二一年及二零二零年十二月三十一日，本公司直接及間接持有之附屬公司詳情載列如下：

Names of subsidiaries 附屬公司名稱	Place of incorporation 註冊成立地點	Particulars of issued and paid up capital/ registered capital 已發行及實繳股本/ 註冊股本詳情	Proportion of ownership interest held by the Company 本公司持有的擁有權比例				Proportion of voting power held by the Company 本公司持有的表決權比例				Principal activities 主要業務
			2021 二零二一年		2020 二零二零年		2021 二零二一年		2020 二零二零年		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Prospect Sync Holdings Limited	The British Virgin Islands (the "BVI")	Registered: US\$50,000 Unpaid: US\$49,999	100%	-	100%	-	100%	-	100%	-	Investment holding
Prospect Sync Holdings Limited	英屬處女群島 (「英屬處女群島」)	註冊：50,000美元 未繳：49,999美元									投資控股
Honesty Services Limited 信實服務有限公司	Hong Kong 香港	HK\$1 1港元	100%	-	100%	-	100%	-	100%	-	Investment holding 投資控股
Honesty Treasure Limited 信實控股有限公司	Hong Kong 香港	HK\$2 2港元	50%	50%	50%	50%	50%	50%	50%	50%	Provision of management services 提供管理服務
Success Take Limited Success Take Limited	The BVI 英屬處女群島	US\$1 1美元	100%	-	100%	-	100%	-	100%	-	Investment holding 投資控股
City Vision Investments Limited 盛階投資有限公司	Hong Kong 香港	HK\$1 1港元	-	100%	-	100%	-	100%	-	100%	Investment holding 投資控股
Ampleline Holdings Limited Ampleline Holdings Limited	The BVI 英屬處女群島	US\$1 1美元	100%	-	100%	-	100%	-	100%	-	Investment holding 投資控股
Sun On Chung King (Hong Kong) Limited 新安中京(香港)有限公司	Hong Kong 香港	HK\$1 1港元	-	100%	-	100%	-	100%	-	100%	Investment holding 投資控股
Xinan Zhongjing Gas Company Limited* (note (i)) 新安中京燃氣有限公司(附註(i))	The PRC 中國	RMB10,000,000 人民幣10,000,000元	-	90%	-	90%	-	90%	-	90%	Natural gas construction projects 天然氣建設項目
Xinan Shengjie Gas Company Limited* (note (ii)) 新安盛階燃氣有限公司(附註(ii))	The PRC 中國	Registered: RMB30,000,000 Unpaid: RMB24,000,000 註冊：人民幣30,000,000元 未繳：人民幣24,000,000元	-	100%	-	100%	-	100%	-	100%	Natural gas construction projects 天然氣建設項目
Keen Gate Developments Limited 建基發展有限公司	The BVI 英屬處女群島	US\$1 1美元	100%	-	100%	-	100%	-	100%	-	Investment holding 投資控股

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

34. 本公司主要附屬公司詳情 (續)

Names of subsidiaries 附屬公司名稱	Place of incorporation 註冊成立地點	Particulars of issued and paid up capital/ registered capital 已發行及實繳股本/ 註冊股本詳情	Proportion of ownership interest held by the Company 本公司持有的擁有權比例				Proportion of voting power held by the Company 本公司持有的表決權比例				Principal activities 主要業務
			2021 二零二一年		2020 二零二零年		2021 二零二一年		2020 二零二零年		
			Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Nanjing Taihe Metal Material Technology Company Limited* (Formerly known as Nanjing Taihe Natural Gas Accessory Engineering Company Limited) (note (i)) 南京泰業金屬材料科技有限公司(前稱南京泰和天然氣配套工程有限公司)(附註(i))	The PRC 中國	RMB40,000,000 人民幣40,000,000元	-	100%	-	100%	-	100%	-	100%	Trading of construction materials 建造材料貿易
Gangning Investment Company Limited* (note (i)) 港寧投資有限公司(附註(i))	The PRC 中國	RMB185,000,000 人民幣185,000,000元	-	100%	-	100%	-	100%	-	100%	Investment holding 投資控股
Tianjin Jun Hua Logistics Company Limited ("Tianjin Jun Hua Logistics")* (note (ii)) 天津俊華物流有限公司(「天津俊華物流」)(附註(ii))	The PRC 中國	RMB109,984,948 人民幣109,984,948元	-	51%	-	51%	-	67%	-	67%	Property investment 物業投資
Tianjin Hui Li Yuan (note (ii)) 天津匯力源(附註(ii))	The PRC 中國	RMB4,886,027 人民幣4,886,027元	-	60%	-	60%	-	60%	-	60%	Property investment 物業投資

* For identification purposes only

* 僅供識別

Notes:

附註：

- (i) Registered under the laws of the PRC as wholly owned foreign enterprise.
- (ii) Registered under the laws of the PRC as domestic enterprise.

- (i) 根據中國法律註冊為外商獨資企業。
- (ii) 根據中國法律註冊為內資企業。

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

上表列出董事認為主要影響本集團業績或資產的本公司附屬公司。董事認為，提供其他附屬公司的詳情會導致篇幅過於冗長。

None of the subsidiaries had issued any debt securities at the end of the year.

於年末，概無附屬公司發行任何債務證券。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries operate in the PRC, Hong Kong and the BVI. The principal activities of these subsidiaries are summarised as follows:

Principal activities 主要業務	Principal place of business 主要營業地點	Number of subsidiaries 附屬公司數目	
		2021 二零二一年	2020 二零二零年
Investment holdings 投資控股	The PRC 中國	7	7
	Hong Kong 香港	1	1
	The BVI 英屬處女群島	1	1
		9	9

34. 本公司主要附屬公司詳情 (續)

於報告期末，本公司其他附屬公司對本集團而言並不重大。該等附屬公司大部分在中國、香港及英屬處女群島運營，其主要業務概述如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

DETAILS OF NON WHOLLY-OWNED SUBSIDIARIES THAT HAS MATERIAL NON-CONTROLLING INTEREST

The table below shows details of non wholly-owned subsidiaries of the Group that have material non-controlling interests:

Names of subsidiaries 附屬公司名稱	Place of incorporation and place of business 註冊成立地點及營業地點	Proportion of ownership interest and voting power held by the Company 本公司持有的擁有權及投票權比例		Loss allocated to non-controlling interest 分配至非控股股東權益的虧損		Accumulated non-controlling interest 累計非控股股東權益	
		2021 二零二一年	2020 二零二零年	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Tianjin Jun Hua Logistics 天津俊華物流	The PRC 中國	51%	51%	(13,439)	(34,184)	(29,570)	(16,620)
Tianjin Hui Li Yuan 天津滙力源	The PRC 中國	60%	60%	(51,487)	(35,446)	(32,626)	18,323
Individually immaterial subsidiaries with non-controlling interest 具有非控股股東權益之個別非重大附屬公司				(7)	(10)	773	826
				(64,933)	(69,640)	(61,423)	2,529

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

34. 本公司主要附屬公司詳情 (續)

擁有重大非控股股東權益的非全資附屬公司的詳情

下表列示擁有重大非控股股東權益的本集團非全資附屬公司的詳情：

有關本集團擁有重大非控股股東權益的附屬公司的財務資料概要載於下文。以下財務資料概要指集團內成員公司撇銷前的金額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

DETAILS OF NON WHOLLY-OWNED SUBSIDIARIES THAT HAS MATERIAL NON-CONTROLLING INTEREST (Continued)

Tianjin Jun Hua Logistics

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Current assets	流動資產	2,826	4,927
Non-current assets	非流動資產	29,906	53,871
Current liabilities	流動負債	(93,078)	(92,717)
Non-current liabilities	非流動負債	–	–
Equity attributable to owners of Tianjin Jun Hua Logistics	天津俊華物流擁有人應佔權益	(30,776)	(17,299)
Non-controlling interests of Tianjin Jun Hua Logistics	天津俊華物流非控股股東權益	(29,570)	(16,620)
Revenue	收益	2,368	2,317
Expenses	開支	(29,794)	(72,080)
Loss attributable to owners of Tianjin Jun Hua Logistics	天津俊華物流擁有人應佔虧損	(13,987)	(35,579)
Loss attributable to non-controlling interest of Tianjin Jun Hua Logistics	天津俊華物流非控股股東權益應佔虧損	(13,439)	(34,184)
Loss for the year	年內虧損	(27,426)	(69,763)
Other comprehensive income attributable to owners of Tianjin Jun Hua Logistics	天津俊華物流擁有人應佔其他全面收益	510	1,163
Other comprehensive income attributable to non-controlling interest of Tianjin Jun Hua Logistics	天津俊華物流非控股股東權益應佔其他全面收益	489	1,118
Other comprehensive income for the year	年內其他全面收益	999	2,281
Total comprehensive expenses attributable to owners of Tianjin Jun Hua Logistics	天津俊華物流擁有人應佔全面開支總額	(13,477)	(34,416)
Total comprehensive expenses attributable to the non-controlling interest of Tianjin Jun Hua Logistics	天津俊華物流非控股股東權益應佔全面開支總額	(12,950)	(33,066)
Total comprehensive expenses for the year	年內全面開支總額	(26,427)	(67,482)
Dividend paid to non-controlling interest of Tianjin Jun Hua Logistics	已付天津俊華物流非控股股東權益股息	–	–
Net cash inflow from operating activities	經營活動所得現金流入淨額	840	137
Net cash inflow from investing activities	投資活動所得現金流入淨額	3	2
Net cash inflow	現金流入淨額	843	139

34. 本公司主要附屬公司詳情 (續)

擁有重大非控股股東權益的非全資附屬公司的詳情 (續)

天津俊華物流

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Current assets	2,826	4,927
Non-current assets	29,906	53,871
Current liabilities	(93,078)	(92,717)
Non-current liabilities	–	–
Equity attributable to owners of Tianjin Jun Hua Logistics	(30,776)	(17,299)
Non-controlling interests of Tianjin Jun Hua Logistics	(29,570)	(16,620)
Revenue	2,368	2,317
Expenses	(29,794)	(72,080)
Loss attributable to owners of Tianjin Jun Hua Logistics	(13,987)	(35,579)
Loss attributable to non-controlling interest of Tianjin Jun Hua Logistics	(13,439)	(34,184)
Loss for the year	(27,426)	(69,763)
Other comprehensive income attributable to owners of Tianjin Jun Hua Logistics	510	1,163
Other comprehensive income attributable to non-controlling interest of Tianjin Jun Hua Logistics	489	1,118
Other comprehensive income for the year	999	2,281
Total comprehensive expenses attributable to owners of Tianjin Jun Hua Logistics	(13,477)	(34,416)
Total comprehensive expenses attributable to the non-controlling interest of Tianjin Jun Hua Logistics	(12,950)	(33,066)
Total comprehensive expenses for the year	(26,427)	(67,482)
Dividend paid to non-controlling interest of Tianjin Jun Hua Logistics	–	–
Net cash inflow from operating activities	840	137
Net cash inflow from investing activities	3	2
Net cash inflow	843	139

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

DETAILS OF NON WHOLLY-OWNED SUBSIDIARIES THAT HAS MATERIAL NON-CONTROLLING INTEREST (Continued)

Tianjin Hui Li Yuan

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Current assets	流動資產	7,318	7,445
Non-current assets	非流動資產	-	110,882
Current liabilities	流動負債	(88,883)	(72,519)
Non-current liabilities	非流動負債	-	-
Equity attributable to owners of Tianjin Hui Li Yuan	天津滙力源擁有人應佔權益	(48,939)	27,485
Non-controlling interests of Tianjin Hui Li Yuan	天津滙力源非控股股東權益	(32,626)	18,323
Revenue	收益	-	-
Expenses	開支	(128,718)	(88,614)
Loss attributable to owners of Tianjin Hui Li Yuan	天津滙力源擁有人應佔虧損	(77,231)	(53,168)
Loss attributable to non-controlling interests of Tianjin Hui Li Yuan	天津滙力源非控股股東權益應佔虧損	(51,487)	(35,446)
Loss for the year	年內虧損	(128,718)	(88,614)
Other comprehensive income attributable to owners of Tianjin Hui Li Yuan	天津滙力源擁有人應佔其他全面收益	807	5,132
Other comprehensive income attributable to non-controlling interest of Tianjin Hui Li Yuan	天津滙力源非控股股東權益應佔其他全面收益	538	3,422
Other comprehensive income for the year	年內其他全面收益	1,345	8,554
Total comprehensive expenses attributable to owners of Tianjin Hui Li Yuan	天津滙力源擁有人應佔全面開支總額	(76,424)	(48,036)
Total comprehensive expenses attributable to the non-controlling interest of Tianjin Hui Li Yuan	天津滙力源非控股股東權益應佔全面開支總額	(50,949)	(32,024)
Total comprehensive expenses for the year	年內全面開支總額	(127,373)	(80,060)
Dividend paid to non-controlling interest of Tianjin Hui Li Yuan	已付天津滙力源非控股股東權益股息	-	-
Net cash inflow from operating activities	經營活動所得現金流入淨額	2	2
Net cash inflow	現金流入淨額	2	2

34. 本公司主要附屬公司詳情

(續)

擁有重大非控股股東權益的非全資附屬公司的詳情

(續)

天津滙力源

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Current assets	7,318	7,445
Non-current assets	-	110,882
Current liabilities	(88,883)	(72,519)
Non-current liabilities	-	-
Equity attributable to owners of Tianjin Hui Li Yuan	(48,939)	27,485
Non-controlling interests of Tianjin Hui Li Yuan	(32,626)	18,323
Revenue	-	-
Expenses	(128,718)	(88,614)
Loss attributable to owners of Tianjin Hui Li Yuan	(77,231)	(53,168)
Loss attributable to non-controlling interests of Tianjin Hui Li Yuan	(51,487)	(35,446)
Loss for the year	(128,718)	(88,614)
Other comprehensive income attributable to owners of Tianjin Hui Li Yuan	807	5,132
Other comprehensive income attributable to non-controlling interest of Tianjin Hui Li Yuan	538	3,422
Other comprehensive income for the year	1,345	8,554
Total comprehensive expenses attributable to owners of Tianjin Hui Li Yuan	(76,424)	(48,036)
Total comprehensive expenses attributable to the non-controlling interest of Tianjin Hui Li Yuan	(50,949)	(32,024)
Total comprehensive expenses for the year	(127,373)	(80,060)
Dividend paid to non-controlling interest of Tianjin Hui Li Yuan	-	-
Net cash inflow from operating activities	2	2
Net cash inflow	2	2

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

35. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(A) STATEMENT OF FINANCIAL POSITION OF THE COMPANY

35. 本公司之財務狀況表及儲備

(A) 本公司之財務狀況表

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
NON-CURRENT ASSET	非流動資產		
Investments in subsidiaries	於附屬公司之投資	16,180	780,066
CURRENT ASSETS	流動資產		
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	—	498
Cash and cash equivalents	現金及現金等值物	8	261
		8	759
CURRENT LIABILITIES	流動負債		
Other payables	其他應付款項	214,193	58,824
Amounts due to subsidiaries	應付附屬公司款項	857	857
Interest-bearing borrowing	計息借貸	115,000	115,000
		330,050	174,681
NET CURRENT LIABILITIES	流動負債淨額	330,042	(173,922)
NET (LIABILITIES) ASSETS	(負債淨額) 資產淨值	(313,862)	606,144
CAPITAL AND RESERVES	股本及儲備		
Share capital	股本	213,496	213,496
Reserves	儲備	(527,358)	392,648
TOTAL (DEFICIT) EQUITY	(虧絀) 權益總額	(313,862)	606,144

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 5 January 2024 and are signed on its behalf by:

本公司之財務狀況表於二零二四年一月五日經董事會批准及授權刊發，並由下列人士代表董事會簽署：

Lu Yi
盧翊
Director
董事

Ye De Chao
業德超
Director
董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

35. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(Continued)

(B) MOVEMENTS OF THE RESERVES OF THE COMPANY

35. 本公司之財務狀況表及儲備 (續)

(B) 本公司儲備之變動

		Share premium	Capital redemption reserve	Accumulated losses	Total
		(Note)	(Note)		
		資本贖回儲備	資本贖回儲備	累計虧損	合共
		(附註)	(附註)		
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2020	於二零二零年一月一日	756,049	69	(340,552)	415,566
Loss for the year	年內虧損	-	-	(22,918)	(22,918)
At 31 December 2020	於二零二零年十二月三十一日	756,049	69	(363,470)	392,648
Loss for the year	年內虧損	-	-	(920,006)	(920,006)
At 31 December 2021	於二零二一年十二月三十一日	756,049	69	(1,283,476)	(527,358)

The Company's reserves available for distribution represent the share premium and accumulated losses. Under the Companies Law of the Cayman Islands, share premium of the Company is available for the Company's distributions to shareholders subject to the provisions of the Company's Memorandum or Articles of Associations and provided that immediately following the distribution the Company is able to pay its debts as they fall due in the ordinary course of business. As at 31 December 2021, the aggregate value of the share premium and accumulated losses of the Company available for distribution is HK\$Nil (2020: HK\$392,579,000).

Note: Capital redemption reserve represents the nominal value of shares repurchased out of distributable profit.

本公司之可供分派儲備指股份溢價及累計虧損。根據開曼群島公司法，本公司之股份溢價可用作向股東作出分派，惟須受本公司之組織章程大綱或細則之條文所規限，而於緊隨分派後，本公司必須有能力償還日常業務中到期之債務。於二零二一年十二月三十一日，可供分派之本公司股份溢價及累計虧損總值為零港元（二零二零年：392,579,000港元）。

附註：資本贖回儲備指以可分派溢利購回股份之面值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

36. CONTINGENT LIABILITIES

On 1 August 2017, the Group acquired 60% equity interest of Tianjin Hui Li Yuan of which principal asset is a land use right for a parcel of land. Starting from year 2015, Tianjin Hui Li Yuan entered into a financial guarantee contract with a PRC trust company (the “Lender”) to provide corporate guarantee by a pledge of certain properties to secure a loan granted to a business partner which is an independent third party (the “Borrower”) in the sum of approximately HK\$97,960,000 (2020: HK\$95,352,000) (equivalent to RMB80,000,000 (2020: RMB80,000,000)) (the “Loan”). In order to protect the interest of the Group against the loss which might be suffered by the Group under the guarantee, the Borrower and the non-controlling interest of Tianjin Hui Li Yuan entered into a counter indemnity in favour of the Group pursuant to which they agreed to, among other matters, indemnify the Group for its liabilities and loss which may arise from the guarantee. The non-controlling interest of Tianjin Hui Li Yuan also agreed to indemnify the Group by offering a pledge of its 40% equity interest in Tianjin Hui Li Yuan to the Group upon default in loan payments by the Borrower. Subsequent to the end of the financial reporting period, on 30 March 2022, 天津市南開區人民法院 (Tianjin Nankai District People’s Court*) made a judgement (the “Judgement”) that amongst other things, the Borrower shall compensate 天津物產進出口貿易有限公司 (Tianjin Product Import & Export Trading Co., Ltd.*) (“Tianjin Trading”), being a party which the Lender has transferred its interest in the Loan to Tianjin Trading. If the Borrower fail to compensate Tianjin Trading, Tianjin Hui Li Yuan shall bear the shortfall amount by the proceed from sale of the Tianjin Properties.

Tianjin Property has been sealed by the court and has not yet been auctioned by the court because it does not meet the conditions for court disposal.

Save as disclosed above and elsewhere in the notes to these consolidated financial statements, the Group had no other material contingent liabilities as at 31 December 2021 and 2020.

36. 或然負債

於二零一七年八月一日，本集團收購天津滙力源之60%股權，其主要資產為一幅地塊的土地使用權。自二零一五年起，天津滙力源與中國信託公司（「貸方」）訂立財務擔保合約以提供企業擔保，方式為透過抵押若干物業向一名業務夥伴（獨立第三方）（「借款人」）授出貸款約97,960,000港元（二零二零年：95,352,000港元）（相當於人民幣80,000,000元（二零二零年：人民幣80,000,000元））（「貸款」）作擔保。為保障本集團之利益，免因該擔保而讓本集團遭受損失，借款人及天津滙力源的非控股股東權益以本集團為受益人訂立一份反向彌償。據此，彼等同意（其中包括）彌償本集團因該擔保而可能產生之負債及損失。天津滙力源之非控股股東權益亦同意於借款人拖欠貸款時向本集團提供其於天津滙力源40%股權的抵押作為補償。於二零二二年三月三十日財政報告期末後，天津市南開區人民法院作出判決（「判決」），其中包括，借款人須補償天津物產進出口貿易有限公司（即獲貸方轉讓其於該貸款權益之一方）（「天津貿易」）。倘借款人未能補償天津貿易，天津滙力源須以出售天津物業之所得款項承擔差額。

天津物業已經被法院查封，由於暫不具備法院處置的條件，還未給法院拍賣出售。

除上文及此等綜合財務報表附註其他部分所披露者外，本集團於二零二一年及二零二零年十二月三十一日並無其他重大或然負債（二零二零年：無）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

37. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these consolidated financial statements, the Group had the following material transactions and balances with its related parties for the years ended 31 December 2021 and 31 December 2020:

- (a) As detailed in Note 23 to the consolidated financial statements, Mr. Ye, one of the Directors, is one of the Guarantors in respect of the Return Undertaking.

For the years ended 31 December 2021 and 31 December 2020, as Forward Investment suffered operating loss and no dividend have been declared, the Return Undertaking was exercised. As such, a compensation income from the Guarantors, Mr. Ye, of HK\$36,000,000 (2020: HK\$36,000,000) was recognised in the consolidated statement of profit or loss.

- (b) The interest-bearing borrowing was secured by pledged shares of the Company held by Mr. Ye, one of the Directors, pledged shares of the related companies, in which Mr. Ye is the beneficial shareholder, and personal guaranteed by Mr. Ye.
- (c) The key management of the Group comprises all Directors, details of their remuneration are disclosed in Note 14 to the consolidated financial statements. The remuneration of the Directors is determined by the remuneration committee having regard to the performance of individuals and market trends.

37. 重大關連人士交易

除本綜合財務報表其他部分所披露者外，本集團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曾與其關連人士進行以下重大交易及有以下結餘：

- (a) 如綜合財務報表附註23所詳述，董事之一業先生為回報承諾的其中一名擔保人。

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，由於泰和投資遭受經營虧損，不會宣派股息，故回報承諾獲得行使。因此，來自擔保人業先生的補償收入36,000,000港元（二零二零年：36,000,000港元）已於綜合損益表確認。

- (b) 計息借貸由董事之一業先生持有的本公司已抵押股份、業德超先生為實益股東的相關公司之已抵押股份作擔保，並由業先生提供個人擔保。
- (c) 本集團主要管理層包括全體董事，彼等之薪酬詳情於綜合財務報表附註14披露。董事薪酬由薪酬委員會根據個人表現及市場趨勢釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

		Litigation liabilities	Interest payable	Amount due to a substantial shareholder	Lease liabilities	Interest-bearing borrowing	Total
		訴訟負債	應付利息	應付主要股東款項	租賃負債	計息借貸	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2020	於二零二零年一月一日	-	27,568	13,204	920	125,000	166,692
Financing cash flows	融資現金流量	-	(2,084)	(3,870)	(368)	(10,000)	(16,322)
Interest expenses	利息開支	-	12,166	-	71	-	12,237
At 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日	-	37,650	9,334	623	115,000	162,607
Financing cash flows	融資現金流量	-	-	(4,115)	(369)	-	(4,484)
Loss arising from litigation	訴訟產生的虧損	11,281	-	-	-	-	11,281
Interest expenses	利息開支	2,694	157,764	-	42	-	160,500
Exchange alignment	匯兌調整	221	-	-	-	-	221
At 31 December 2021	於二零二一年十二月三十一日	14,196	195,414	5,219	296	115,000	330,125

38. 融資活動所產生的負債之對賬

下表詳列本集團融資活動所產生的負債之變動，包括現金及非現金變動。融資活動所產生的負債乃現金流量已或未來現金流量將於綜合現金流量表分類為融資活動所產生之現金流量。

39. MAJOR NON-CASH TRANSACTIONS

The Group entered into the following major non-cash investing and/or financing activities which are not reflected in the consolidated statements of cash flows:

- (i) During the year ended 31 December 2020, the Group acquired certain property, plant and equipment and investment properties at a consideration of approximately HK\$66,881,000 and HK\$67,432,000 respectively, of which the considerations was paid during the year ended 31 December 2019.

39. 主要非現金交易

本集團已進行以下主要非現金投資及／或融資活動，該等活動並無於綜合現金流量表中反映：

- (i) 截至二零二零年十二月三十一日止年度，本集團已收購若干物業、廠房及設備以及投資物業，代價分別約為66,881,000港元及67,432,000港元，該等代價已於截至二零一九年十二月三十一日止年度支付。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

40. PLEDGE OF ASSETS

A loan granted to an independent third party, as detailed in Note 18, had been secured by the pledge of the Group's assets and the carrying amounts of the respective assets are as follows:

	2021 二零二一年 HK\$'000 千港元
Construction in progress included in property, plant and equipment	計入物業、廠房及設備的 在建工程

40. 資產抵押

附註18所詳述之授予一名獨立第三方的貸款已由本集團之資產抵押作擔保，相關資產之賬面值如下：

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Construction in progress included in property, plant and equipment	計入物業、廠房及設備的 在建工程	
	—	110,882

41. SUBSEQUENT EVENTS

(A) PROPOSED CAPITAL REORGANISATION

In extraordinary general meeting of the Company convened on 24 January 2022 (the "EGM"), the resolutions approving the capital reorganisation involving the share consolidation, the capital reduction and the share subdivision (the "Capital Reorganisation") was duly passed by way of poll. The Capital Reorganisation involves:

(i) Share Consolidation (the "Share Consolidation")

Every ten (10) issued and unissued Shares of par value of HK\$0.05 each in the share capital of the Company be consolidated into one (1) Consolidated Share of par value of HK\$0.5 each in the share capital of the Company. The Share Consolidation has been completed on 26 January 2022.

(ii) Capital Reduction (the "Capital Reduction")

The Capital Reduction whereby the par value of each issued Consolidated Share will be reduced from HK\$0.50 to HK\$0.01 by cancelling the paid-up capital to the extent of HK\$0.49 on each issued Consolidated Share.

41. 期後事項

(A) 建議資本重組

在本公司於二零二二年一月二十四日召開之股東特別大會（「股東特別大會」）上，批准涉及股份合併、股本削減及股份拆細之股本重組（「股本重組」）之決議案以投票表決方式獲正式通過。股本重組涉及：

(i) 股份合併（「股份合併」）

每十(10)股本公司股本中每股面值0.05港元之已發行及未發行股份合併為一(1)股本公司股本中每股面值0.5港元之合併股份。股份合併於二零二二年一月二十六日完成。

(ii) 股本削減（「股本削減」）

憑藉股本削減，通過註銷每股已發行合併股份0.49港元之繳足股本而將每股已發行合併股份之面值由0.50港元削減至0.01港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

41. SUBSEQUENT EVENTS (Continued)

(A) PROPOSED CAPITAL REORGANISATION

(Continued)

(iii) Share Sub-Division (the “Share Sub-Division”)

The Share Sub-division whereby immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares with par value of HK\$0.50 each be sub divided into fifty (50) ordinary shares with par value of HK\$0.01 each in the share capital of the Company (the “Adjusted Shares”).

Up to the date of this reporting period, the Capital Reduction and the Share Sub-division have not yet been effective.

(B) ISSUE OF CONVERTIBLE NOTES UNDER GENERAL MANDATE

On 5 May 2022 (after trading hours of the Stock Exchange), the Company and the subscriber entered into the subscription agreement, pursuant to which the Company has conditionally agreed to issue, and the subscriber has conditionally agreed to subscribe for, the convertible notes in an aggregate principal amount of HK\$33,600,000. The outstanding principal amount of the convertible notes are convertible into conversion shares at the conversion price of HK\$0.395 (subject to adjustments) per conversion share during the conversion period.

The gross proceeds from the issue of the convertible notes will be HK\$33,600,000 and the net proceeds from the issue of the convertible notes, after deduction of the expenses related to the issue of the convertible notes, is estimated to be approximately HK\$33,400,000, which is intended to be used as to (a) HK\$1,000,000 for general working capital of the Group; and (b) the remaining amount for the repayment of loan(s) and any possible business development and investment of the Group when there arises any appropriate opportunity.

41. 期後事項 (續)

(A) 建議資本重組 (續)

(iii) 股份拆細 (「股份拆細」)

憑藉股份拆細，於緊隨股本削減後，將每股面值0.50港元之法定但未發行合併股份拆細為五十(50)股本公司股本中每股面值0.01港元之普通股 (「經調整股份」)。

截至本報告期間日期，股本削減及股份拆細尚未生效。

(B) 根據一般授權發行可換股票據

於二零二二年五月五日 (聯交所交易時段後)，本公司與認購方訂立認購協議，據此本公司有條件同意發行而認購方有條件同意認購本金額合共為33,600,000港元之可換股票據。可換股票據之未償還本金額於兌換期內按每股兌換股份之兌換價0.395港元 (可予調整) 兌換為兌換股份。

發行可換股票據之所得款項總額將為33,600,000港元，而發行可換股票據之所得款項淨額 (經扣除發行可換股票據相關開支) 估計約為33,400,000港元，該等款項擬用作以下用途：(a) 1,000,000港元用於本集團之一般營運資金；及(b) 餘下款項用於償還貸款以及於出現適當機會時本集團任何未來業務發展及投資。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

41. SUBSEQUENT EVENTS (Continued)

(B) ISSUE OF CONVERTIBLE NOTES UNDER GENERAL MANDATE (Continued)

If the conditions precedent are not fulfilled or waived (as the case may be) on or before the day falling six (6) months after the date of the subscription agreement (or such other date as the parties to the subscription agreement may agree in writing), the subscription agreement shall be terminated.

As at the date of this report, the subscription agreement has been terminated.

Further details are set out in the announcement of the Company dated 5 May 2022.

(C) DISPOSAL OF A SUBSIDIARY

On 28 December 2023, Nanjing Taiye Metal Material Technology Company Limited*, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent third party in relation to the disposal of its 100% equity interest in 南京曦德市政工程有限公司 (“南京曦德”) at a consideration of RMB1,000,000. 南京曦德 is an investment holding company and its wholly-owned subsidiary is Tianjin Hui Li Yuan. The disposal has been completed on 28 December 2023.

41. 期後事項 (續)

(B) 根據一般授權發行可換股票據 (續)

倘先決條件於認購協議日期後六(6)個月當日或之前(或認購協議訂約方可能書面協定之有關其他日期)未獲達成或豁免(視乎情況而定),認購協議則將告終止。

於本報告日期,認購協議已經終止。

有關詳情載於本公司日期為二零二二年五月五日的公告。

(C) 出售一間附屬公司

於二零二三年十二月二十八日,本公司全資附屬公司南京泰業金屬材料科技有限公司與一名獨立第三方就以代價人民幣1,000,000元出售南京曦德市政工程有限公司(「南京曦德」)100%股權訂立買賣協議。南京曦德為一間投資控股公司,其全資附屬公司為天津滙力源。出售事項已於二零二三年十二月二十八日完成。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

42. COMPARATIVE FIGURES

During the year ended 31 December 2021, for enhancing the relevance of the presentation of the consolidated financial statements, reclassifications have been made to certain comparative figures presented in the consolidated financial statements in respect of the prior year to achieve comparability with the current year's presentation. As a result, the following line items regarding comparative figures have been amended and adjusted, together with the related notes to conform to the current year's presentations:

42. 比較數字

截至二零二一年十二月三十一日止年度，為提高綜合財務報表呈列的相關性，已對過往年度綜合財務報表中呈列的若干比較數字重新分類，以便可與本年度的呈列方式進行比較。因此，以下涉及比較數字的項目連同相關附註均予以修訂及調整，以遵循本年度的呈列方式：

		Previous reported 過往經呈報 HK\$'000 千港元	As restated 經重列 HK\$'000 千港元
Consolidated statement of profit or loss	綜合損益表		
Loss from changes in fair values of investment properties (Note)	投資物業公平值變動產生之虧損（附註）	77,892	77,966
Administrative expenses (Note)	行政開支（附註）	32,082	32,008
Consolidated statement of financial position	綜合財務狀況表		
Right-of-use assets (Note)	使用權資產（附註）	2,286	590
Investment properties (Note)	投資物業（附註）	52,086	53,782

Note:

Certain right-of-use assets that meet the definition of investment properties were reclassified from "Right-of-use assets" to "Investment Properties", and the depreciation of right-of-use assets were reclassified from "Administrative expenses" to "Loss from changes in fair values of investment properties".

附註：

符合投資物業定義的若干使用權資產已自「使用權資產」重新分類至「投資物業」。使用權資產折舊由「行政開支」重新分類為「投資物業公平值變動產生之虧損」。

* For identification purpose only

* 僅供識別

FIVE YEARS FINANCIAL SUMMARY

五年財務摘要

RESULTS

業績

For the year ended 31 December

截至十二月三十一日止年度

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	營業額	3,157	127,414	56,935	56,182	26,144
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(581,677)	(278,857)	(28,909)	(20,088)	(44,700)
Dividends	股息	-	-	-	-	-

ASSETS AND LIABILITIES

資產及負債

At 31 December

於十二月三十一日

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Total assets	資產總值	240,184	698,047	1,029,417	1,143,536	1,243,833
Total liabilities	負債總額	(382,524)	(212,431)	(229,306)	(291,898)	(320,014)
Net assets	資產淨值	(142,340)	485,616	800,111	851,638	923,819

GROUP PROPERTIES 集團物業

At 31 December 2021 於二零二一年十二月三十一日

Location 位置	Intended use 擬定用途	Category of lease term 租約年期類別	Total gross floor area 總建築面積 (sq. m.) (平方米)	Group's interest 本集團之權益 (%)
Properties held for investment 持作投資物業				
No. 34 Di Ba Da Jie, Development Area, Tianjin City, the PRC 中國 天津市 開發區 第八大街34號	Industrial premises for rental 作租賃用途之工業物業	Medium 中期	Approximately 約11,512.07	51
Properties under development 發展中物業				
East of Haining Street, and north of Haichuan Street, Tianjin Development Zone, Tianjin City, the PRC 中國 天津市 天津開發區 海寧街東、海川街北	Industrial premises for rental 作租賃用途之工業物業	Medium 中期	Approximately 約29,012.72	60

Group Properties

集團物業

At 31 December 2021 於二零二一年十二月三十一日

Location 位置	Intended use 擬定用途	Category of lease term 租約年期類別	Total gross floor area 總建築面積 (sq. m.) (平方米)	Group's interest 本集團之權益 (%)
Properties held for sale 持作出售物業				
Rooms 810 and 1706 in Block 8 of Huijinjiulong Commercial Street, No. 699 Chengxin, Main Road, Moling Jiedao, Jiangning District, Nanjing City, Jiangsu Province, the PRC 中國 江蘇省 南京市 江寧區 秣陵街道 誠信大道699號 滙金九龍商業街第8幢 810及1706室	Residential/Commercial premises 住宅／商業物業	Long 長期	Approximately 約116.67	40
Rooms 101 to 104 in Block 47 and Rooms 101 to 104 in Block 48 of Hongjingya Villa, No. 2888 Hongjing Main Road, Moling Jiedao, Jiangning District, Nanjing City, Jiangsu Province, the PRC 中國 江蘇省 南京市 江寧區 秣陵街道 弘景大道2888號 弘景雅墅 第47幢101至104室 及第48幢101至104室	Residential/Commercial premises 住宅／商業物業	Long 長期	Approximately 約1,710.89	40



Room 705A, 7/F., New East Ocean Centre,
9 Science Museum Road, Tsim Sha Tsui East,
Kowloon, Hong Kong

香港九龍尖沙咀東科學館道9號
新東海商業中心7樓705A室