



# CITYCHAMP

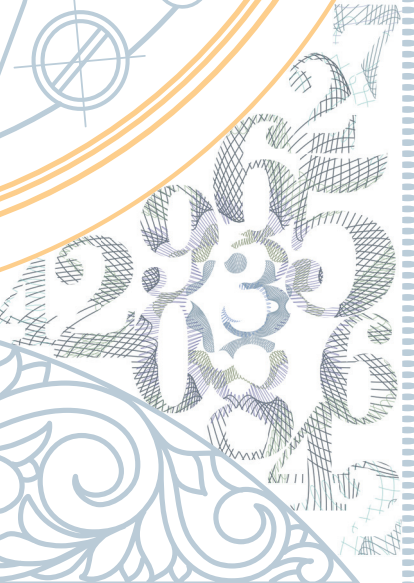
WATCH & JEWELLERY GROUP LIMITED  
冠城鐘錶珠寶集團有限公司

(incorporated in the Cayman Islands with limited liability  
於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 256

YOUR TRUE WEALTH  
IS YOUR TIME

掌握時機 累積財富



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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

HON Kwok Lung BBS (*Chairman*)  
 SHANG Jianguang (*Chief Executive Officer*)  
 SHI Tao  
 LAM Toi Man  
 BI Bo  
 SIT Lai Hei  
 HON Hau Wong  
 Teguh HALIM

### Independent Non-executive Directors

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

## AUDIT COMMITTEE

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

## REMUNERATION COMMITTEE

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

## NOMINATION COMMITTEE

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

## RISK MANAGEMENT COMMITTEE

SIT Lai Hei (*Committee Chairman*)  
 SHI Tao  
 LAM Toi Man  
 BI Bo

## QUALIFIED ACCOUNTANT & COMPANY SECRETARY

FONG Chi Wah

## AUDITOR

BDO Limited

## PRINCIPAL BANKERS

Hang Seng Bank Limited  
 Bank of China (Hong Kong) Limited  
 China CITIC Bank International Limited  
 Industrial Bank Co., Ltd.  
     Hong Kong Branch  
 Luso International Bank  
 Bank of Communications Co., Ltd.  
     Hong Kong Branch  
 Korea Development Bank  
     Qingdao Branch

## HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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

## REGISTERED OFFICE

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

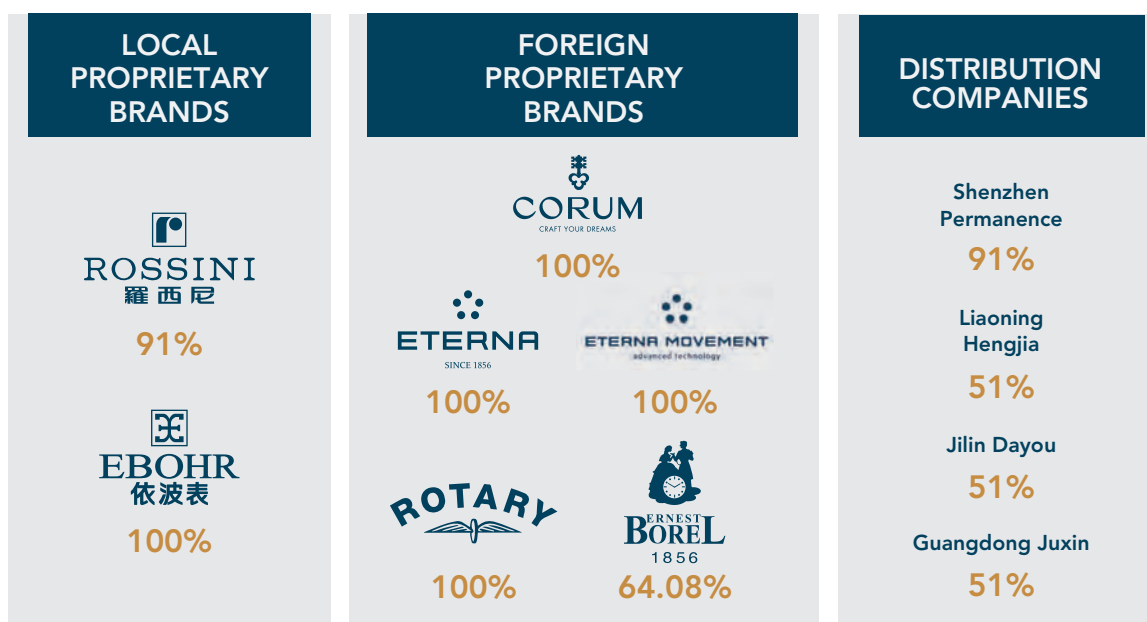
## PRINCIPAL OFFICE

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

## WEBSITES

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

# Our Key Group Companies



Watches and Timepieces Businesses

Banking and Financial Businesses



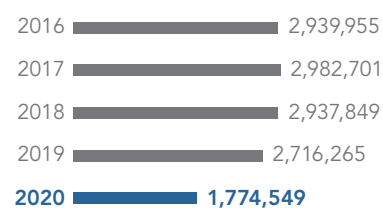


# Financial Highlights



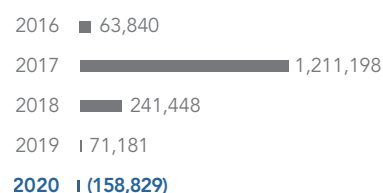
## REVENUE

HK\$'000



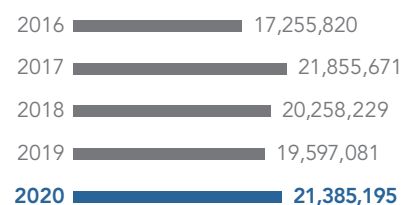
## PROFIT/(LOSS) AFTER TAX

HK\$'000



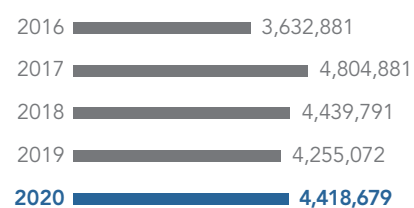
## TOTAL ASSETS

HK\$'000



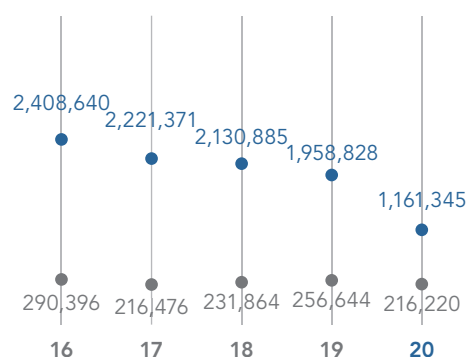
## OWNERS' EQUITY

HK\$'000



## REVENUE BY PROPRIETARY AND NON-PROPRIETARY BRANDS

HK\$'000



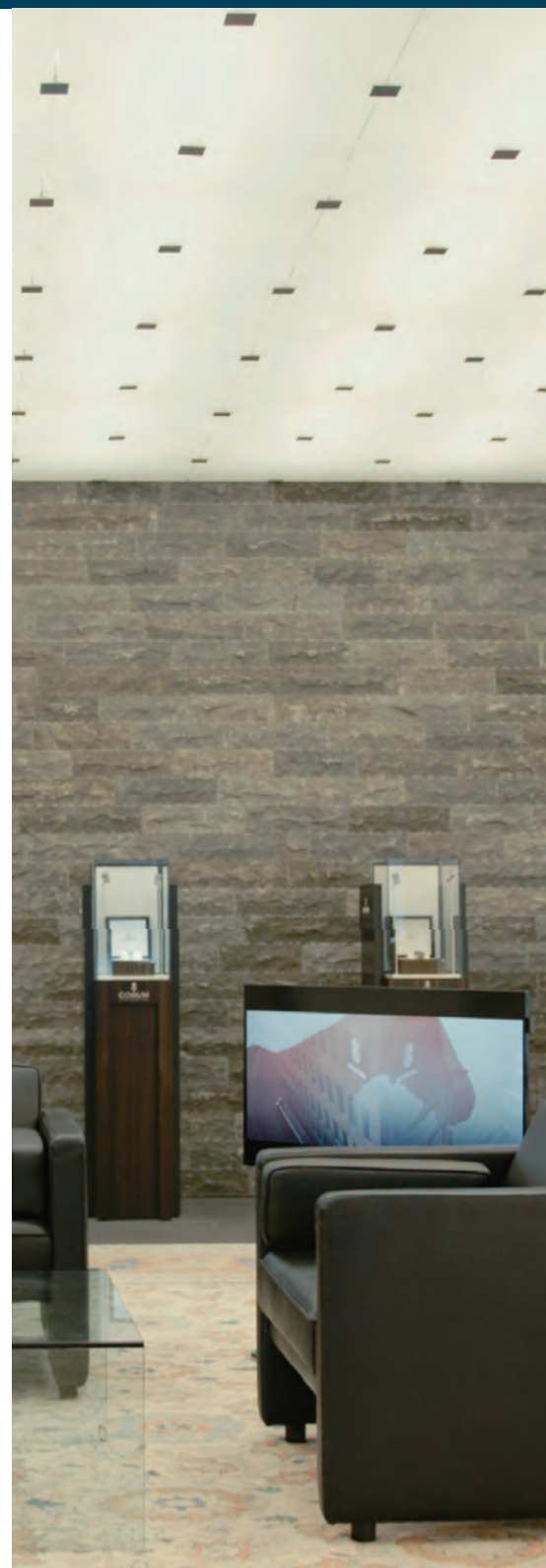
- Proprietary Brands
- Non-proprietary Brands

## REVENUE

HK\$1,774,549,000

## LOSS AFTER TAX

HK\$158,829,000





# Chairman's Statement

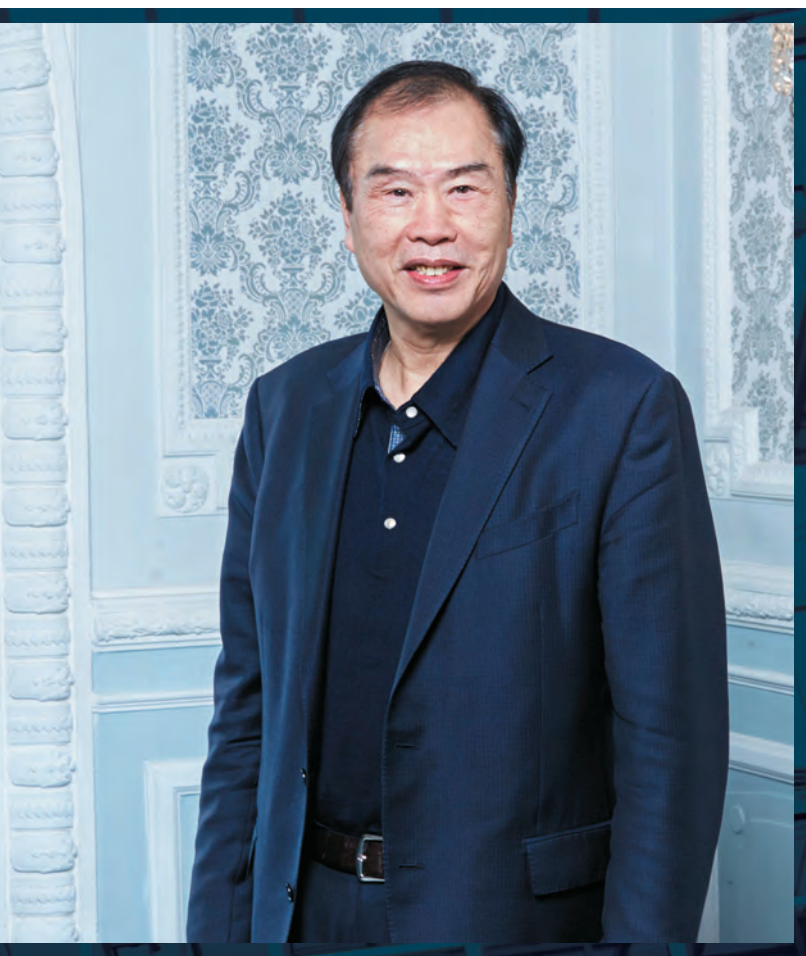
The COVID-19 will likely go down in history as one of the worst disasters ever in human history. 2020 is therefore an exceptionally challenging year not only for health of people all over the world but also for economic activities of all nations. The COVID-19 has disrupted numerous industries that suffer from sharp falls in production and demand, owing to social distancing measures, lock-downs and travel restrictions. It deteriorates the general economic environment and particularly affects adversely the general consumption. The decrease in general consumption, reinforced by the sudden change of income and wealth as well as the psychological and emotional effects, is further harmed by temporary or permanent closures of operation, production, and distribution units.

One of the key upwind favourable environmental factors is that Mainland China has been proven successful in bringing the COVID-19 under control in the second half of 2020. By many indicators, Mainland China's economic performance in the second half was stronger than the first half of 2020.

During this challenging year, the Group and its key management have adopted a new mindset and take this as the most important opportunity and lesson that we should learn and improve from. We have reviewed the processes, procedures, and structure of operations in order to streamline workflow and workforce, and strengthened e-commerce, virtual communication and digital transformation as a whole to enhance efficiency and effectiveness, as well as taken decisive decisions particularly related to human resources to achieve cost savings across the Group.

Most importantly, we manage to take all necessary measures to ensure the business continuity of different businesses in different countries and to maintain the health and safety of all our colleagues, that is undoubtedly most valuable resources of the Group.

When the situation improves and economic recovery returns, the Group would be in a strong position to leverage on an enhanced operational structure and human resources which will lead to higher shareholders' value in the not too distant future.



### RESULTS OVERVIEW

Revenues decreased by 34.7% to HK\$1.77 billion in 2020, versus HK\$2.72 billion generated in 2019. Loss attributable to the owners of the Company in 2020 was HK\$169 million, compared with profit attributable to the owners of the Company of HK\$44 million in 2019. Basic loss per share was HK3.89 cents.

The Board resolved not to recommend a final dividend for the year ended 31 December 2020 to preserve sufficient funds to meet the financial needs of the Group during these challenging times.

### STRATEGIC DEVELOPMENT

On 16 December 2020, the Company entered into an agreement to the sale and purchase agreement with a company 100% owned by Mr. Hon Kwok Lung, the majority shareholder of the Company. Pursuant to agreement, the Company has conditionally agreed to sell its equity interests in and loans to all watch companies except Ernest Borel Holdings Limited at the consideration of approximately HK\$1.50 billion and HK\$2.03 billion respectively (the "Disposal"). Upon completion, the Company will be principally engaged in banking and financial businesses and the Company would also indirectly hold approximately 64% equity interest in Ernest Borel Holdings Limited (stock code: 1856). The Disposal was approved by independent shareholders at the extraordinary general meeting held on 25 March 2021. Subject to the completion of the Disposal, the Board will declare the payment of special dividend of HK\$0.13 per share to the Shareholders of the Company.

We take a long-term perspective in formulating strategy and this is reflected in our investments and divestments. We pride ourselves on being forward-looking and innovative. We deploy capital and people where we see opportunities to generate returns which exceed our cost of capital. We invest in existing and new businesses, focusing on those where we have a competitive advantage and where our capital and people can generate long-term value.

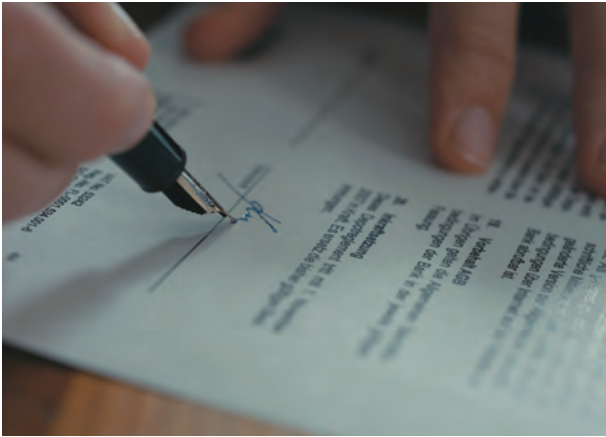
### BUSINESS AND MARKET DEVELOPMENT

In the second half of 2020, the local proprietary watch brand business in Mainland China rebounded gradually although slowly for the following reasons: (a) COVID-19 in Mainland China was substantially in control by the end of the first half 2020, (b) production and distribution was gradually recovered through opening-up of business activities, and (c) consumer confidence was gradually re-established as a result.

The foreign proprietary watch brand business, owing to the adverse impact of social distancing, lock-downs and travel restrictions on the key international markets, where the general demand is relatively weak, suffered substantially in 2020.



# Chairman's Statement



Bendura Bank, although its operation and performance being affected by the COVID-19 due to lesser extent of communication and interaction with clients, has developed organically as shown by the stability of asset under management and increased headcount amid challenging market conditions. We would deploy more resources in marketing, compliance and risk management, that are critical to stay competitive locally and internationally and generate long-term growth.

Details of the progress we made in 2020 for individual companies and segments are set out in the MD&A of this Annual Report.

## CORPORATE GOVERNANCE

On behalf of the Board, I would like to express my sincere gratitude to Mr. Fung Tze Wa and Mr. Rudolf Heinrich Escher for their outstanding contributions to the Company during their tenure as our independent non-executive directors. Mr. Kam, Eddie Shing Cheuk and Mr. Li Ziqing have been appointed to the board in November 2020. Their substantial banking and financial experience is inevitably valuable to the banking and financial business on which the Group is going to focus, after the completion of the disposal of most watch businesses.

## ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ("ESG") PERFORMANCE

Good environmental, Social and Governance, or ESG, practices have always been an integral part of the Group's business strategy and management approach. As a good corporate citizen, we not only continue to monitor our environmental impact but also contributes to the communities that we operate our businesses, especially in Mainland China. In accordance with the new requirements of the Listing Rules, we have designated a director to head the ESG and strengthened the relevant activities and disclosures.

## RISK MANAGEMENT

We monitor our risks and uncertainties facing the Group and formulate and adopt appropriate risk management measures against each principal risk and uncertainty. We are glad to report that Bendura Bank has incorporated a new risk policy in the second half of 2020 in order to strengthen the risk management. In view of our increasing focus on private banking, fund management and securities trading business, risk management will continue to be of great importance for the Group. Special efforts are applied to analyze the risks related to COVID-19. Our risk management committee has reviewed the major risks and suggested the relevant effective ways to manage those risks.

## HUMAN RESOURCES MANAGEMENT

As ever, our success is enabled by the passion and commitment of the professionals who work for the company. Towards that end, we are happy to see a wealth of new talent join the family and provide training and development to our employees during the year.

## OUTLOOK

The financial year was indeed challenging due to unprecedented and exceptional circumstances, exacerbated by the outbreak of the COVID-19. While central banks and governments of leading countries have been supportive with measures such as interest rate cuts and stimulus plans (including relief packages, wage subsidies, and one-time direct cash payment to individuals etc.) to ease the pressure during this difficult time, economic growth is expected to be very slow.

Fortunately, the universe is breathing a sigh of relief with the vaccine advancements in providing a glimmer of light at the end of the tunnel. Vaccines from Mainland China, UK, the US and Europe, although not 100% proven effective, are available for injection starting from January 2021 in many advanced countries. With production representing the key hurdle, the allocation among the developing countries and the costs associated with mass immunization programs, especially for countries that have only limited fiscal resources would be other significant hurdles. Barring from unexpected adverse development of the virus, it is likely that economies all over the world would gradually be re-opened in 2022, if not the fourth quarter of 2021.

For Mainland China, the leadership implements good decisions on monetary and fiscal stimuli which are lending support to a recovery of the mainland economy. Besides, Mainland China's recently unveiled "dual-circulation strategy" whereby the country will increasingly depend on the domestic cycle of production, distribution, and consumption for its long-term development rather than relying heavily on export – will reinforce the economic growth in the medium term. With long-term positive economic fundamentals, Mainland China is expected to remain one of the world's resilient and fundamentally sound market.

The market conditions for watches are expected to improve in the longer term when the COVID-19 will be relieved. At that time, market conditions are expected to improve when the consumer confidence is gradually recovered and the demand for watches in Mainland China and all over the world is expected to be also gradually normalized.

Bendura Bank's performance is expected to be slightly affected by the COVID-19 impact. Given that most of clients focus on prudent investments and Bendura Bank adopts a prudent asset allocation policy, particularly the lending policy, we believe the Bank would be in a secure position even in the currently challenging financial market situation and in the scenario of slowing, if not negative, global economic growth. Bendura Bank is expected to demonstrate resilience and sustainability. It is our objective to keep investing in the growth of the banking and financial businesses. Specifically, we intend to strengthen Bendura Bank's capital base to support the sustainable growth of its credit business and to expand its geographical coverage and product coverage in Hong Kong, the Mainland China, East Asia and strengthen Bendura Bank's asset management business. Besides, we intend to pursue selective strategic investment and acquisition opportunities related to the banking business.

We believe that the proposed disposal of all watch businesses except Ernest & Borel represents a valuable opportunity to capitalize on the substantial cash inflow to strengthen the financial position of the Group by reducing the indebtedness, and focus on the organic growth of the banking and financial businesses, as well as the pursuit of potential business acquisitions.



# Chairman's Statement

We continue the new mindset and take the COVID-19 as the most important opportunity and lesson that we should learn and improve from. Looking ahead, we would remain calm and apply courage and wisdom to take on the strong headwind challenges. We have full confidence that with our strengthened management team and razor-sharp focus on achieving our goals, we are well along the road to recovery.

## ACKNOWLEDGEMENTS

Finally, I would like to thank all our employees for their hard work over the last financial year. Our company is a global family where the unique contribution of every colleague is highly valued. I would also like to thank our business partners, our customers and our shareholders for their loyalty and support during these challenging times.

**Hon Kwok Lung**

*Chairman*

Hong Kong, 30 March 2021



# Management Discussion and Analysis

|  | Year ended<br>31 December |                  | Variation<br>% |
|--|---------------------------|------------------|----------------|
|  | 2020<br>HK\$'000          | 2019<br>HK\$'000 |                |
| Total revenue  | <b>1,774,549</b>          | 2,716,265        | -34.7          |
| Operating expenses   | <b>1,278,860</b>          | 1,595,003        | -19.8          |
| Gross profit generated from non-banking and financial businesses | <b>769,515</b>            | 1,255,622        | -38.7          |
| Gross profit generated from banking and financial businesses     | <b>357,629</b>            | 456,613          | -21.7          |
| EBITDA   | <b>111,176</b>            | 412,823          | -73.1          |
| (Loss)/profit before tax   | <b>(133,653)</b>          | 142,637          | N/A            |
| Net (loss)/profit after tax                                      | <b>(158,829)</b>          | 71,181           | N/A            |
| (Loss)/earnings per share attributable to owners of the Company  |                           |                  |                |
| – Basic  | <b>HK(3.89) cents</b>     | HK1.02 cents     | N/A            |
| – Diluted  | <b>HK(3.89) cents</b>     | HK1.02 cents     | N/A            |

|                   | As at 31 December |                  | Variation<br>% |
|-------------------|-------------------|------------------|----------------|
|                   | 2020<br>HK\$'000  | 2019<br>HK\$'000 |                |
| Total assets      | <b>21,385,195</b> | 19,597,081       | 9.1            |
| Total liabilities | <b>16,648,968</b> | 14,936,192       | 11.5           |
| Total equity      | <b>4,736,227</b>  | 4,660,889        | 1.6            |



# Management Discussion and Analysis

## OPERATING RESULT

For the year ended 31 December 2020, the Group recorded total revenue of approximately HK\$1,774,549,000 (31 December 2019: HK\$2,716,265,000), a decrease of HK\$941,716,000 or 34.7% over 2019.

Operating expenses (including selling and distribution expenses and administrative expenses) for the year ended 31 December 2020 was approximately HK\$1,278,860,000 (31 December 2019: HK\$1,595,003,000), a decrease of HK\$316,143,000 or 19.8% over 2019.

Gross profit generated from non-banking and financial businesses for the year ended 31 December 2020 was approximately HK\$769,515,000 (31 December 2019: HK\$1,255,622,000), a decrease of HK\$486,107,000 or 38.7% over 2019.

Gross profit generated from banking and financial businesses for the year ended 31 December 2020 was approximately HK\$357,629,000 (31 December 2019: HK\$456,613,000), a decrease of HK\$98,984,000 or 21.7% over 2019.

The EBITDA for the year ended 31 December 2020 was approximately HK\$111,176,000 (31 December 2019: HK\$412,823,000), a decrease of HK\$301,647,000 or 73.1% over 2019.

Net loss after tax for the year ended 31 December 2020 was approximately HK\$158,829,000 (31 December 2019: net profit after tax of HK\$71,181,000).

## PERFORMANCE

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



## WATCHES AND TIMEPIECES BUSINESSES

### I.A. Local Proprietary Brands

#### ZHUHAI ROSSINI WATCH INDUSTRY LIMITED

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

|                 | 31 December<br>2020 | 31 December<br>2019 | 31 December<br>2018 |
|-----------------|---------------------|---------------------|---------------------|
| Physical stores | 54.1%               | 51.9%               | 55.6%               |
| E-commerce      | 40.8%               | 39.5%               | 33.4%               |
| Other           | 5.1%                | 8.6%                | 11%                 |

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



## ROSSINI'S NO. OF DISTRIBUTION OUTLETS

For the year ended 31 December 2020, Zhuhai Rossini Watch Industry Limited ("Rossini"), a 91% subsidiary of the Group, recorded revenue of HK\$579,647,000, a decrease of HK\$362,915,000 or 38.5% from HK\$942,562,000 in 2019. Net profit after tax attributable to owners of the Company for the year ended 31 December 2020 was HK\$49,558,000, representing a decrease of HK\$114,575,000 or 69.8%, from HK\$164,133,000 in 2019.

In the past few years, the traditional retail model of watch industry has been challenged by the ever-growing e-commerce in Mainland China. The outbreak of COVID-19 further enlarged the existing challenges. During the first half of 2020, physical stores had limited operations due to social distancing measures, lock-downs and travel restrictions. To cope with this difficult time, Rossini immediately adjusted its strategies.

Year 2018

3,765

Year 2019

3,441

Year 2020

3,428



## Management Discussion and Analysis

Firstly, by streamlining the management process, working efficiency of the employees were enhanced under COVID-19. As the demand for Rossini watches dropped significantly, Rossini reduced the number of employees and hence the labour costs in 2020. Rossini also streamlined the management structure so that the communication between management and employees became more effective. Also, more in-depth study to the ever-changing market and business model had been done to ensure the innovation and competitiveness of Rossini's product. According to the development plan, forty new products were introduced during 2020, some of which got satisfactory sales performance. With the classical business type as a basic product line, woman's fashion type as a breakthrough product line, and light smart sports type as a new product line, the market has paid attention to the development of the Rossini feature series.

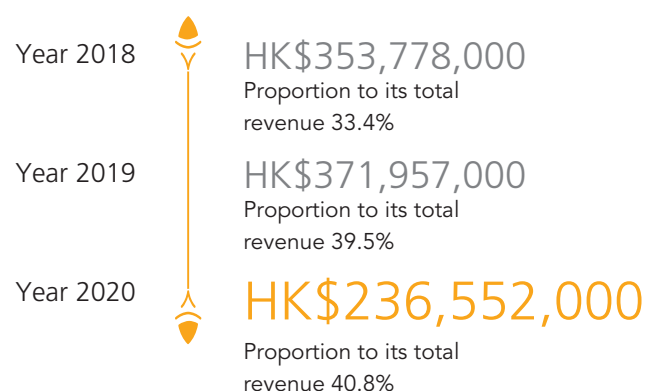
Secondly, Rossini also put more focus on e-commerce to compensate the loss of revenue from physical stores.

The demand of watch reduced due to the breakout of COVID-19 since January 2020. As a result, overall sales for the year ended 31 December 2020 dropped significantly by 38.5% compare to 2019. However, e-commerce business in Mainland China was further boosted up by temporary lockdown and strict social distance polices. The management of Rossini reacted rapidly and allocated more resources on e-commerce channel to seize the new market. Although revenue from e-commerce for the year ended 31 December 2020 decreased to HK\$236,552,000 from HK\$371,957,000 last year, the contribution of which increased from 39.5% to 40.8%.

Specifically, Rossini kept expanding its territory for occupying more market shares by opening online distributors on the leading e-commerce platforms including Taobao, Tmall and JD. In addition, the shopping preferences of the Chinese consumers, especially those of the young generation, were influenced by key opinion leaders (KOL), who spread their views on social media live streaming applications. Rossini's e-commerce team seized the current trend and as a result e-commerce live streaming became one of the spotlights in sales growth. In order to

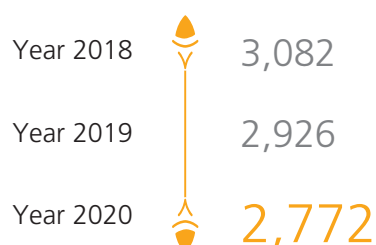
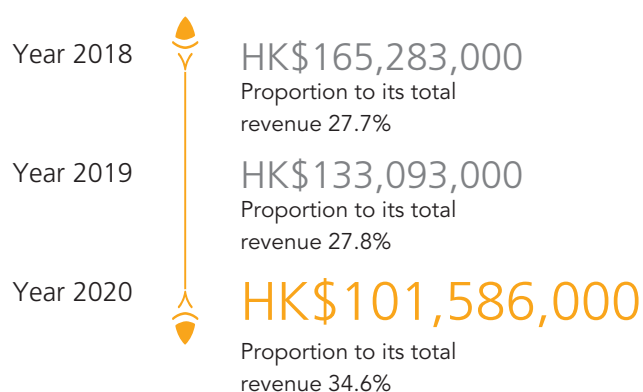
strengthen its brand awareness, Rossini actively explored new opportunities on popular social media platforms including Xiaohongshu, Kuaishou and Tik Tok, as well as sought more chance of cooperation with different kinds of potential KOL.

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



Owing to COVID-19 outbreak in 2020, the whole local tourism industry entered a harsh winter. Rossini's revenue from industrial tourism was also inevitably affected. Throughout the year of 2020, the number of tourists was approximately 50,000 (2019: 370,000), and revenue from which was approximately HK\$4,834,000 (2019: HK\$71,124,000), representing a decrease of approximately 93% over the corresponding period of last year. In order to attract more local tourists, Rossini will design more specific events, i.e. talks, seminars and workshop, and provide more internal trainings to the tourists guides so as to promote Rossini's industrial tourism.

With the favourable government policies, the gradual market resumption and the tremendous efforts taken by Rossini, Rossini's performance in the second half of 2020 was improved.

**EBOHR GROUP****EBOHR'S NO. OF DISTRIBUTION OUTLETS****EBOHR'S REVENUE EARNED FROM E-COMMERCE SALES**

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

Revenue of EBOHR Group for the year ended 31 December 2020 was HK\$293,934,000, a decrease of HK\$184,790,000 or 38.6%, from HK\$478,724,000 in 2019. Net loss after tax for the year ended 31 December 2020 was HK\$29,322,000, compared with net profit after tax of HK\$7,121,000 in 2019.

The decline in profits was mainly attributable to several reasons. Firstly, COVID-19 significantly impacted the overall economy, people became more cautious in their consumption, especially in non-essential goods, leading to overall decrease in watch demands. Performance of physical stores were mostly affected under COVID-19, revenue dropped approximately 42.2% when compared to 2019. Apart from COVID-19, the competition from smart-watches also exercised a strong pressure on traditional watch sales. Fortunately, given that COVID-19 was under control in Mainland China in late 2020, and EBOHR organized various festival sales promotion to boost up the sales, EBOHR slightly improved the sales performance in the second half of 2020.

Secondly, the e-commerce sales did not perform well as online selling expenses increased continuously. For the year ended 31 December 2020, the e-commerce sales decreased to HK\$101,586,000 from HK\$133,093,000 last year, representing a drop of HK\$31,507,000 or 23.7%. To maintain the brand awareness, EBOHR made use of the social platforms like Wechat and Tik Tok to deliver creative promotion on its products. This strategy brought a positive feedback from the customers eventually. EBOHR also actively explored the opportunities from live-streaming promotion. During 2020, EBOHR provided different trainings to its employees on promotional skills and formed its live-streaming team, aiming to improve the e-commerce sales by creating influence over the youth.

The rapid growth of digital economy is changing consumer behavior, especially teenager groups demanding for personality and diversity. Both Rossini and EBOHR Group are aggressively implementing strategies to enhance e-commerce. It is believed that the proportion of the e-commerce sales to both companies' revenue and profit will steadily increase.

# Management Discussion and Analysis

## I.B. Foreign Proprietary Brands

### ERNEST BOREL HOLDINGS LIMITED

The Group held approximately 64.08% equity interest in Ernest Borel Holdings Limited (“Ernest Borel”, together with its subsidiaries, the “Ernest Borel Group”) as at 31 December 2020.

For the year ended 31 December 2020, Ernest Borel Group recorded revenue of approximately HK\$116,243,000, representing a decrease of HK\$22,276,000 or 16.1% over HK\$138,519,000 in 2019. Net loss after tax attributable to the owners of the Company was HK\$4,645,000, representing a decrease of HK\$45,472,000 or 90.7% over HK\$50,117,000 in 2019.

Mainland China remained as the core market of the Ernest Borel Group. Revenue from Mainland China was approximately HK\$114,154,000 for the year ended 31 December 2020, accounting for approximately 98.2% of its total revenue.

The extensive distribution network of the Ernest Borel Group covered retail markets in Mainland China, Hong Kong, Macau and Southeast Asian countries. As at 31 December 2020, Ernest Borel Group had 804 POS (31 December 2019: 772), comprising 664 POS in Mainland China, 54 POS in Hong Kong and Macau, and 86 POS in other areas, mainly in Southeast Asia and Taiwan.

In 2020, due to COVID-19 and social disturbance activities in Hong Kong, the drop in the number of tourists coming to Hong Kong affected the watch and timepieces business substantially. Ernest Borel Group strengthened its e-commerce business by extending e-commerce sales platform in Mainland China and actively finding new distribution channels in Hong Kong and Macau. The duty-free shop and tourist groups at Hainan Free Trade Port brought opportunities to Ernest Borel Group as four shops were opened there at the end of 2020 and the sales were satisfactory. Ernest Borel Group also increased the communication with customers on products and sales policies and marketing activities to understand their needs in order to bring its brand awareness to a wider level.

With the superiority of brand awareness of Ernest Borel and the satisfactory economic recovery in Mainland China in the second half of 2020, it is expected that the demand of watches in Mainland China will gradually rise in 2021 which brings positive impact to domestic sales.

### Other Foreign Proprietary Brands

Collectively, Corum, Eterna and The Dreyfuss Group Limited (the “Dreyfuss Group”) contributed revenue and net loss after tax for the year ended 31 December 2020 of HK\$171,521,000 (31 December 2019: HK\$399,023,000) and HK\$128,128,000 (31 December 2019: HK\$77,550,000), respectively.

Asia, Europe and the US have been the major markets for Corum. Asian and European market sales represented around 62% of the turnover of Corum. COVID-19 considerably damaged the overall sales performance of Corum. The shutdown of international tourism created obstacles to sales of luxury goods, including watches. As a result, the revenue of Corum fell by 66% in 2020.

COVID-19 shook the Swiss watchmaking industry to its core. With temporary closures of the manufactures, Swiss watch exports dropped up to 81% in April 2020, as compared to April 2019.

The very low level of sales during the first quarter of 2020 put a lot of pressure on Corum. The management reacted quickly to cut the operating expenses drastically to compensate from the lack of revenue. The operating expenses have been reduced by 33% in 2020. Corum also disclosed a new positioning and marketing strategy in early 2020 and the feedbacks from the markets, the retailers, clients and other stakeholders were very positive. Some teasers of the new design of the Golden Bridge have also been disclosed in 2020. The different reactions revealed that Corum correctly addressed its positioning and marketing strategies.



According to recent studies from the watches insiders, Chinese consumers will be the main contributors to the growth in demand for the luxury goods over the next five years. With the slow recovery of tourism, Corum intends to penetrate the Chinese market by developing new distribution channels.

COVID-19 also affected both activity and turnover of Eterna, which reduced by around 26.7% when compared to 2019. During the year, Eterna mainly focused on cleaning stocks.

Eterna's strongest markets remained in Europe, with entry into the British market in 2020. As shown by figures disclosed by the Federation of the Swiss Watch Industry at the end of 2020, Mainland China was the only market to post very strong growth at the end of the year. Thus Eterna plans to explore the Chinese market in the coming years.

The revenue for the year ended 31 December 2020 of Eterna Movement was heavily affected by COVID-19 with lockdown period imposed by the Swiss government from mid-March to end April and new measures beginning in October until year-ended 2020. COVID-19 also influenced the budgeted sales orders from Corum and Eterna. It led to smaller production activity during the year. Eterna Movement managed to cut most of its production costs in a higher ratio than the revenue reduction and succeeded in reducing the year-end loss in 2020 when compared to 2019.

UK is the Dreyfuss Group's largest single market, representing 83% of its revenue for the year ended 31 December 2020. Three national lockdowns and tiered approach systems in between since the outbreak of COVID-19 in March 2020 influenced the Dreyfuss Group's sales. Its total revenue for 2020 dropped 32% from last year. The Dreyfuss Group's key objective during the year was to achieve break even by focusing on improving margins, better terms with customers, cost control and reducing stock level. The effectiveness was evidenced by the improvement

in gross margin and cost reduction and control. The gross profit ratio increased 7.8% to 51.6% for 2020 by a continuous focus on customer profitability instead of revenue only. The total overheads and marketing costs reduced by approximately 36% and 52% respectively. Watch stock quantity across the Group at the end of 2020 reduced by 23.9% as compared to 2019.

The Dreyfuss Group has put efforts in developing the international market in order to reduce its reliance in the UK market. There was a decrease of POS in European market mainly due to COVID-19. With the vaccine program introduced, it is expected that through the next 12–18 months, the European team, with a primary focus on Germany, can continue to achieve modest growth. On the other hand, POS in MENA region increased with Middle East areas as the top progressing business area for Rotary.

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

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

Currently, the Group holds four distribution companies. Collectively, distribution companies contributed revenue and net profit after tax for the year ended 31 December 2020 of HK\$216,220,000 (31 December 2019: HK\$256,642,000) and HK\$3,093,000 (31 December 2019: HK\$11,598,000) respectively.

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

Other non-major subsidiaries of the Group are also engaged in other non-major categories of watches and timepieces businesses, which collectively contributed revenue and net loss after tax for the year ended 31 December 2020 of HK\$28,247,000 (31 December 2019: HK\$34,267,000) and HK\$14,882,000 (31 December 2019: HK\$20,491,000), respectively.



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# BANKING AND FINANCIAL BUSINESSES

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II.A Bendura Bank AG

II.B Shun Heng Finance Holding (Hong Kong) Limited

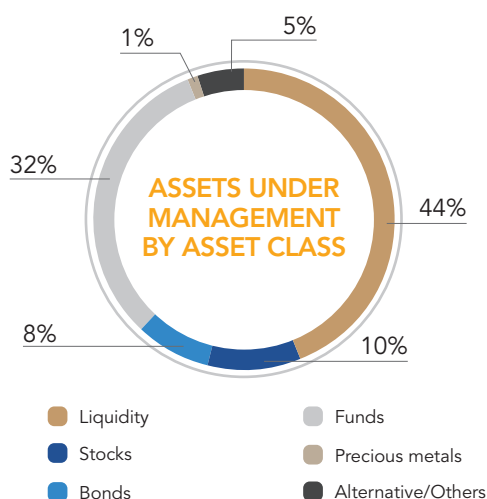
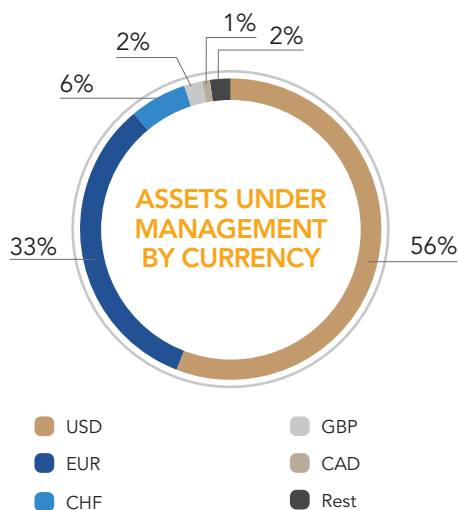
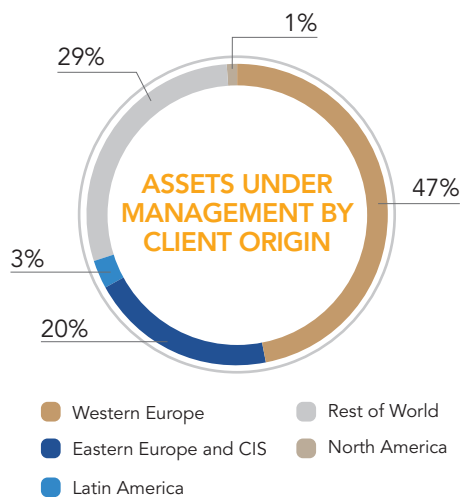


# Management Discussion and Analysis

## BANKING AND FINANCIAL BUSINESS

### II.A. BENDURA BANK AG ASSETS UNDER MANAGEMENT

|                    |             |
|--------------------|-------------|
| For the year ended | CHF'000,000 |
| 31 December 2018   | 3,498       |
| 31 December 2019   | 3,672       |
| 31 December 2020   | 3,686       |



Revenue of Bendura Bank AG ("Bendura Bank" or the "Bank") and its subsidiaries (the "Bendura Group") for the year ended 31 December 2020 was HK\$346,724,000, a decrease of HK\$106,529,000 or 23.5% from HK\$453,253,000 over 2019. Net loss of the Bendura Group after tax attributable to owners of the Company for the year ended 31 December 2020 was HK\$3,633,000, compared with net profit after tax of HK\$125,137,000 in 2019. The result was due to further reduction in interest rate cuts in the US dollars, the impact of extraordinary adjustment effects in the balance sheet, and the reduction in client interaction, which was a consequence of travel restrictions due to COVID-19.

In interest-related business, the Bank continued to face low interest rates in Swiss Francs and Euros. Net interest income fell from CHF23.3 million in 2019 to CHF15.5 million in 2020.

Income from commission and service fee activities of the Bank recorded CHF20.9 million, showing a decrease of 12.1% over the previous year.

Client's assets under management of the Bank climbed by CHF13.3 million year on year, ending at CHF3,685.7 million in 2020. The increase is mainly due to a pleasing net new money inflow of CHF203 million.

Due to lower income from foreign exchange transactions for clients and a negative valuation adjustment of an investment in the trading portfolio, the Bank's income from financial transactions amounted to CHF2.8 million, about CHF4.3 million lower than the previous year.

The Bank made an impairment for the Wirecard AG notes investment of CHF3.07 million in June 2020 as elaborated in the Interim Report 2020 and an additional CHF0.5 million for the second half of 2020, totalling CHF3.57 million. There was also a negative valuation adjustment of an investment in the trading portfolio. As a result, the Bank has imposed more stringent risk policy such as level up the rating of investment grade to minimize the occurrence of, and loss from similar risk.

Business expenses of the Bank amounted to CHF31.5 million, representing an increase of 3.7% over previous year, primarily due to higher personnel costs.

As an innovative private bank, Bendura Bank continued to expand in trading and investment consulting for discrete clients. Considering the strong growth in advisory mandates and tailor-made strategy solutions, the Bank has introduced, alongside with its classic strategies, a whole range of new and innovative investment solutions in 2020.

The new solutions included launching a portfolio which invests globally and focuses primarily on Asian assets, namely "BENDURA Asian Dragon", a portfolio which focuses on Eastern Europe, namely "BENDURA Eastern Eagle", and a portfolio which follows an ESG integrated investment process including ESG impact investments, namely "BENDURA ESG Panda". The creations will allow clients to combine any two or three of the above portfolios to fit the clients' investment and ESG strategies and hence they can have more flexibility on their investing strategy.

As measures to deal with the impact of COVID-19, all employees of Bendura Bank were equipped with laptops. They worked from home and hence, the daily business were not affected. All digitalization projects will be pushed so that our employees will have full access to all necessary information when working at home. Besides, new software for online on boarding of clients will be implemented and similar software will be provided for new employees.

The Bank recorded a pleasing inflow of new money during 2020, which is a strong indicator of the Bank's sustainable earning power. The global economy is expected to recover gradually in 2021. The Bank will maintain its existing strategy of highly specialized niche player. Starting in 2021, the Bank will strengthen the digitalization endeavours for the sake of stakeholders, meet the needs of international clients by enlarging the advisory and investment services offering, reduce marketing costs greatly, and introduce a direct costing approach within sales departments to focus on profit contribution margin.

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

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

For the year ended 31 December 2020, Shun Heng Finance Holding contributed revenue and net profit after tax attributable to owners of the Company of HK\$10,905,000 (31 December 2019: HK\$3,360,000) and HK\$4,535,000 (31 December 2019: HK\$1,430,000) respectively.

### SHUN HENG SECURITIES LIMITED

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

In addition to the traditional brokerage business, Shun Heng Securities has actively seek opportunities to grow the underwriting business for overseas bonds issued by Chinese enterprises. During 2020, Shun Heng Securities assisted in the completion of two private equity US dollar bond underwriting projects, with total issuance of US\$46 million. As at end of 2020, Shun Heng Securities has successfully underwritten 9 bond projects with a cumulative amount of approximately US\$0.86 billion, achieving brand awareness in Hong Kong Market.



# Management Discussion and Analysis

## HONG KONG METASEQUOIA CAPITAL MANAGEMENT LIMITED

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

Metasequoia Capital has launched two funds since its setting up, namely Global Opportunities Fund and Stable Growth Fund. Global Opportunities Fund invests mainly in securities markets in Mainland China, Hong Kong and the US, with assets under management from US\$10.24 million initially to approximately US\$12.49 million as at 31 December 2020. The Stable Growth Fund, launched in 2019, invests in domestic CNY bond and its assets under management reached approximately US\$6.23 million as at 31 December 2020. As at 31 December 2020, the aggregate assets under management of Metasequoia Capital was approximately US\$18,720,000 (31 December 2019: US\$23,560,000).

### III.A Listed Equity Investment CITYCHAMP DARTONG COMPANY LIMITED

As at 31 December 2020, financial assets at fair value through other comprehensive income of the Group was HK\$470,794,000. HK\$131,636,000 was related to the listed equity investment in the equity share of Citychamp Dartong Company Limited ("Citychamp Dartong"). Citychamp Dartong is a company listed on the Shanghai Stock Exchange (Stock code: 600067) and engaged in real estate, enameled wire, banking and new energy. As at 31 December 2020, the Group owned 30,389,058 shares of Citychamp Dartong at the market price of RMB3.65 per share (equivalent to HK\$4.33 per share) with the fair value of HK\$131,636,000. The shares held by the Group accounted for 2.04% of the total issued share capital of Citychamp Dartong as at 31 December 2020. Such fair value accounted for 0.6% of the Group's total assets.

The Group incurred a net loss on fair value change through other comprehensive income in investment in Citychamp Dartong of HK\$3,540,000 for the year ended 31 December 2020, as a result of decrease in the share price of Citychamp Dartong from RMB3.98 (equivalent to HK\$4.45) as at 31 December 2019 to RMB3.65 (equivalent to HK\$4.33) as at 31 December 2020.

This is the Group's long-term investment due held for dividend yield and long-term capital gain. Given its substantial land bank for development and profitability of certain business segments, we are optimistic about the future prospects of Citychamp Dartong.

## MIN XIN HOLDINGS LIMITED

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

Min Xin is a company engaged in financial services, securities trading, real estate development, toll road and manufacturing. As at 31 December 2020, the investment in Min Xin was HK\$333,207,000, i.e. 88,150,000 shares at the market price of HK\$3.78 per share as at 31 December 2020. Such fair value of the investment accounted for 1.6% of the Group's total assets. The shares held by the Company accounted for 14.76% of the total issued share capital of Min Xin as at 31 December 2020.

The Company incurred a net gain on fair value change in Min Xin's investment of HK\$51,127,000 for the year ended 31 December 2020 (31 December 2019: net loss of HK\$210,679,000), as a result of increase in the share price of Min Xin from HK\$3.20 as at 1 January 2020 to HK\$3.78 as at 31 December 2020. For the year ended 31 December 2020, the Company's dividend income from Min Xin was HK\$8,815,000 (31 December 2019: HK\$8,815,000).



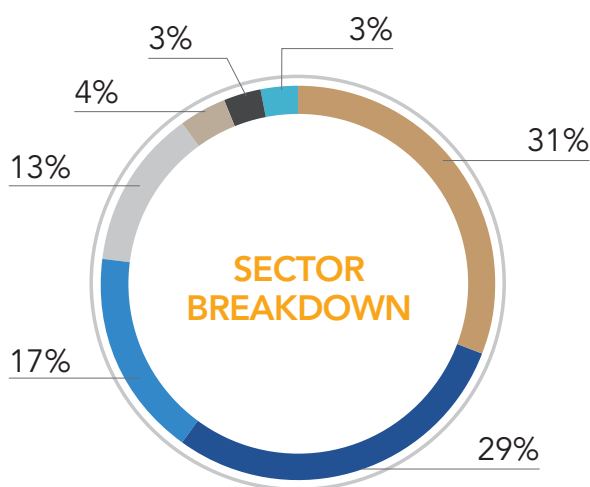
### III.B Property Investment

The properties in Mainland China and Hong Kong owned by the Group have been leased out, with stable rental returns to the Group for the year under review. During the year, these investment properties generated rental income of HK\$11,108,000 (31 December 2019: HK\$9,915,000). Net profit after tax from the property investment business for the year ended 31 December 2020 was HK\$15,378,000 (31 December 2019: HK\$7,974,000).

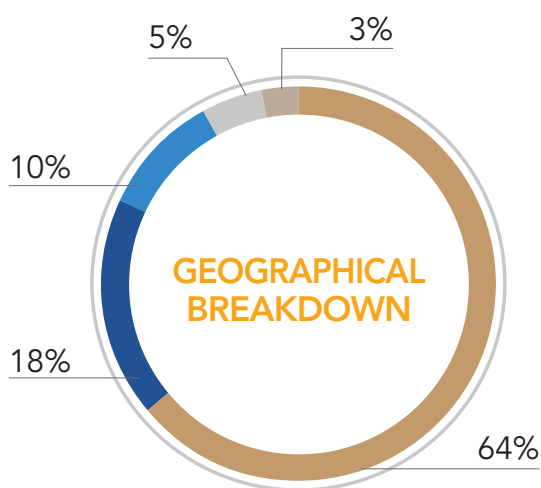
### III.C Other Marketable Securities

The Group has acted as the founder investor and invested US\$5.12 million in "Metasequoia Investment Fund SPC – Global Opportunities Fund SP" (the "Fund") since 15 August 2017 in order to facilitate establishing the fund management business with an initial capital of US\$10.24 million and the rest of the fund was subscribed by other investors with the capital of US\$5.12 million. As of 4 May 2020, the Group redeemed 3,840 shares in the amount of US\$5,907,000 of Metasequoia Investment Fund SPC which generated a profit of US\$2,067,000 since August 2017 and US\$655,000 for the period from 1 January 2020 to 4 May 2020 respectively.

As at 31 December 2020, the total net asset value of the Fund was US\$12.49 million (31 December 2019: US\$13.13 million), which composed by US\$2.30 million and US\$10.19 million for the Group and other inventors respectively. For the year ended 31 December 2020, the unrealized loss on fair value of the investment was approximately US\$432,165 (31 December 2019: unrealized gain US\$1,767,735).



- Information Technology
- Communication Services
- Consumer Discretionary
- Financials
- Consumer Staples
- Utilities
- Energy



- China
- United States
- Hong Kong
- Singapore
- Taiwan

# Management Discussion and Analysis

## HEADQUARTER AND OTHERS

Losses from administrative expenses, finance costs and income tax of the headquarter and other non-major subsidiaries and/or non-major categories of businesses for the year ended 31 December 2020 was HK\$61,187,000 (31 December 2019: HK\$124,989,000).

## FINANCIAL POSITION

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

As at 31 December 2020, the Group had non-pledged cash and bank balances of approximately HK\$5,612,645,000 (31 December 2019: HK\$4,785,483,000). Based on the borrowings of HK\$1,564,822,000 (31 December 2019: HK\$1,740,362,000), due to a shareholder of HK\$12,000,000 (31 December 2019: HK\$12,000,000), due to directors of HK\$21,233,000 (31 December 2019: HK\$22,241,000) and shareholders' equity of HK\$4,418,679,000 (31 December 2019: HK\$4,255,072,000), the Group's gearing ratio (being borrowings plus due to a shareholder and due to directors divided by shareholders' equity) was 36% (31 December 2019: 41%).

### (2) Charge on assets

As at 31 December 2020, the Group's borrowings were mainly secured by:

- (a) corporate guarantees provided by certain subsidiaries within the Group;
- (b) equity interest of certain subsidiaries within the Group; and
- (c) a legal charge over the Group's property, plant and equipment with the carrying amount of HK\$310,118,000 (2019: HK\$95,180,000).

### (3) Capital commitment

Capital commitments as at 31 December 2020 were approximately HK\$270,000,000 in total (31 December 2019: HK\$482,652,000), for investment in an associate – Citychamp Allied International Limited and purchase of property, plant and equipment.

Except for the above, the Group had no other material capital commitments as at 31 December 2020.

## FINANCIAL REVIEW

### (1) Total assets

Total assets increased to HK\$21,385,195,000 as at 31 December 2020 from HK\$19,597,081,000 as at 31 December 2019.

#### Cash and deposits

|                                   | 31 December<br>2020<br>HK\$'000 | 31 December<br>2019<br>HK\$'000 | Increase/(decrease)<br>Amount<br>HK\$'000 | %    |
|-----------------------------------|---------------------------------|---------------------------------|---|------|
| Cash and bank balances            | 303,644                         | 329,377                         | (25,733)                                  | -7.8 |
| Cash held on behalf of clients    | 110,985                         | 104,227                         | 6,758                                     | 6.5  |
| Sight deposits with central banks | 5,198,016                       | 4,463,642                       | 734,374                                   | 16.5 |

**Due from banks**

|                                 | <b>31 December<br/>2020<br/>HK\$'000</b> | 31 December<br>2019<br>HK\$'000 | <b>Increase/(decrease)<br/>Amount<br/>HK\$'000</b> | <b>%</b> |
|---------------------------------|--|---------------------------------|--|----------|
| Due from banks on a daily basis | <b>5,229,597</b>                         | 4,720,429                       | 509,168  | 10.8     |
| Due from banks other claims     | <b>238,021</b>                           | 182,006                         | 56,015   | 30.8     |
| Valuation adjustments           | <b>(1,358)</b>                           | (1,237)                         | (121)  | (9.8)    |

**(2) Investments**

The investment as at 31 December 2020 included (a) trading portfolio investments of HK\$80,310,000; (b) derivative financial assets of HK\$29,224,000; (c) financial assets at amortised cost of HK\$1,449,886,000; and (d) financial assets at fair value through other comprehensive income of HK\$470,794,000 (the "Investments").

**(a) Trading portfolio investments of HK\$80,310,000**

|   | <b>31 December<br/>2020<br/>HK\$'000</b> | 31 December<br>2019<br>HK\$'000 |
|---|--|---------------------------------|
| <b>Equity Instruments</b>                                   |  |                                 |
| Listed equity instruments in Hong Kong at market value      | <b>649</b>                               | 69,042                          |
| Listed equity instruments outside Hong Kong at market value | <b>4,522</b>                             | 78,307                          |
| <b>Total equity instruments</b>                             | <b>5,171</b>                             | 147,349                         |
| <b>Debt instruments</b>                                     |  |                                 |
| Unlisted debt instruments of financial institutions         | <b>12,938</b>                            | 27,612                          |
| <b>Total debt instruments</b>                               | <b>12,938</b>                            | 27,612                          |
| <b>Investment fund units</b>                                |  |                                 |
| Unlisted investment fund unit                               | <b>55,843</b>                            | 46,758                          |
| <b>Total investment fund units</b>                          | <b>55,843</b>                            | 46,758                          |
| <b>Investments in other financial products</b>              | <b>6,358</b>                             | 6,184                           |
| <b>Total trading portfolio investments</b>                  | <b>80,310</b>                            | 227,903                         |

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

As at 31 December 2020, there were HK\$649,000 invested in a variety of listed equities in Hong Kong and HK\$4,522,000 invested in Mainland China and overseas markets.

The debt instruments of HK\$12,938,000 invested in the Mainland China by PRC company.



## Management Discussion and Analysis

Trading assets of CHF3.0 million (equivalent to HK\$26,118,000) represents the single investment by Bendura Bank in the form of an unlisted investment fund. Bendura Bank acquired above trading assets from a professional counterparty in March 2019. The investment policy of Bendura Bank AG includes strict implementation of the investment process and is subject to constant review by the investment committee.

Investments in other financial products consist of the financial product investments of HK\$6,358,000 invested by Eternal Brands.

### (b) Derivative financial assets of HK\$29,224,000

|                                    | 31 December<br>2020<br>HK\$'000 | 31 December<br>2019<br>HK\$'000 |
|------------------------------------|---------------------------------|---------------------------------|
| <b>Derivative financial assets</b> |                                 |                                 |
| Forward and option contracts       | <b>29,224</b>                   | 10,275                          |

In the derivative financial assets of HK\$29,224,000, there were forward and option contracts conducted by Bendura Bank.

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

As at 31 December 2020, forward contracts of HK\$29,224,000 related to FX swaps entered by Bendura Bank. Based upon risk/return considerations, client deposits denominated in foreign currencies were, in part, no longer invested on the interbank market but were swapped into Swiss francs using currency swaps and deposited with the Swiss National Bank (SNB). Income from the interest component of currency swaps exceeded the expense of SNB negative interest and the reduced level of interest from banks.

As at 31 December 2019, derivative financial assets of HK\$10,275,000 related to forward and option contracts conducted by Bendura Bank.

### (c) Other financial assets at amortised cost of HK\$1,449,886,000

|   | 31 December<br>2020<br>HK\$'000 | 31 December<br>2019<br>HK\$'000 |
|---|---------------------------------|---------------------------------|
| <b>Listed debt instruments, at amortised cost</b> |                                 |                                 |
| <i>Issued by:</i>                                 |                                 |                                 |
| Governments and public sector                     | <b>84,447</b>                   | 82,373                          |
| Financial institutions                            | <b>1,053,351</b>                | 778,199                         |
| Corporations                                      | <b>312,088</b>                  | 447,388                         |
|   | <b>1,449,886</b>                | 1,307,960                       |

Bendura Bank invested in listed debt instruments issued by government and public sector, financial institutions and corporations amounting to HK\$1,449,886,000. The portfolio was composed of 79 listed debt instruments with different maturity, geography, segment and currency and hence, diversification is ensured. Almost all listed debt instruments were considered upper-medium grade and are subject to low credit risk. The average remaining term of the held-to-maturity investment is 2.3 years. Largest single investments are bond issued by European Investment Bank (CHF11 million) and followed by International Bank for Reconstruction and Development (CHF9 million). Both are triple-A issuers. Risk concentration is analysed and presented to the senior management on a monthly basis.

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

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

Collectively, listed debt instruments, at amortised cost accounted for 6.8% of the Group's total assets.

As at 31 December 2019, Bendura Bank invested in listed debt instruments issued by government and public sector, financial institutions and corporations amounting to HK\$1,307,960,000, the portfolio was composed of 58 listed debt instruments with different maturity, geography, segment and currency and hence, diversification is ensured. Almost all listed debt instruments were considered upper-medium grade and are subject to low credit risk. Largest single investments are bond issued by International Bank for Reconstruction and Development (CHF19 million) and followed by European Investment Bank (CHF12 million). Both are triple-A issuers. Risk concentration is analyzed and presented to the senior management on a monthly basis.

## Management Discussion and Analysis

Relatively major listed debt instruments as at 31 December 2019 are as follows:

| Issuer                      | Nature of interest rate | Sector                 | Maturity date  | Value (CHF'000) |
|-----------------------------|-------------------------|------------------------|----------------|-----------------|
| China Merchants Bank/Lux    | Fixed                   | Financial Institutions | 19 June 2022   | 5,426           |
| Deutsche Bank Ag            | Floating                | Financial Institutions | 16 May 2022    | 7,591           |
| Abn Amro Bank Nv            | Floating                | Financial Institutions | 19 July 2022   | 7,746           |
| Bank of Nova Scotia         | Floating                | Financial Institutions | 5 October 2022 | 8,228           |
| Intl Bk Recon & Develop     | Fixed                   | Financial Institutions | 19 March 2024  | 9,670           |
| European Investment Bank    | Floating                | Financial Institutions | 24 March 2021  | 11,631          |
| Intl Bk Recon & Develop     | Floating                | Financial Institutions | 18 March 2020  | 19,364          |
| Others                      |                         |                        |                | 92,845          |
| Total                       |                         |                        |                | 162,501         |
| HKD Equivalent to (in '000) |                         |                        |                | 1,307,960       |

(d) **Other financial assets at fair value through other comprehensive income of HK\$470,794,000**

|   | 31 December 2020<br>HK\$'000 | 31 December 2019<br>HK\$'000 |
|---|------------------------------|------------------------------|
| Listed equity instruments in Hong Kong      | 333,207                      | 282,080                      |
| Listed equity instruments outside Hong Kong | 131,636                      | 135,176                      |
| Unlisted equity investment                  | 5,951                        | 5,605                        |
|   | <b>470,794</b>               | 422,861                      |

Listed equity instruments of HK\$131,636,000 related to investment in Citychamp Dartong and HK\$333,207,000 related to investment in Min Xin. Details of investments in Citychamp Dartong and Min Xin are set out from page 21 of this report.

(3) **Goodwill and Intangible assets**

(a) **Goodwill**

Goodwill is arising from business combinations, and capitalised as assets in the consolidated statement of financial position. The Group engages professional valuer to conduct impairment testing on individual CGUs every financial year. As at 31 December 2020, the net carrying amount of Goodwill was HK\$1,144,071,000 (As at 31 December 2019: HK\$1,065,051,000), which mainly composed of the following CGUs:

| Segment                               |                        | 31 December 2020<br>HK\$'000 | 31 December 2019<br>HK\$'000 |
|---------------------------------------|------------------------|------------------------------|------------------------------|
| Zhuhai Rossini Watch Industry Limited | Watches and timepieces | 649,530                      | 611,694                      |
| Bendura Group                         | Banking Business       | 269,549                      | 246,961                      |
| Ernest Borel Group                    | Watches and timepieces | 221,912                      | 203,317                      |
| Others                                |                        | 3,080                        | 3,079                        |
| Total:                                |                        | <b>1,144,071</b>             | 1,065,051                    |

The increase in Goodwill was solely due to the exchange rate difference between foreign currencies and Hong Kong Dollar as at 31 December 2019 and 31 December 2020 respectively.

#### (b) Intangible assets

Intangible assets are arising from business combinations, and capitalised as assets in the consolidated statement of financial position. They included Supplier and distribution networks, Brand names, Patents and Trading rights. As at 31 December 2020, the net carry amount of Intangible assets was HK\$54,415,000 (As at 31 December 2019: HK\$52,089,000), which allocated to the following category:

|                                    | <b>31 December<br/>2020<br/>HK\$'000</b> | 31 December<br>2019<br>HK\$'000 |
|------------------------------------|--|---------------------------------|
| Supplier and distribution networks | 833                                      | 2,246                           |
| Brand Names                        | 46,336                                   | 42,597                          |
| Trading Rights                     | 7,246                                    | 7,246                           |
| <b>Total</b>                       | <b>54,415</b>                            | 52,089                          |

Brand Name with indefinite useful lives amounted to HK46,265,000 are attributable to the CGU of Ernest Borel Group and the increase in the value of Brand Names was solely due to the exchange rate difference between foreign currency and Hong Kong Dollar as at 31 December 2019 and 31 December 2020 respectively.

#### (4) Total liabilities

Total liabilities increased to HK\$16,648,968,000 as at 31 December 2020 from HK\$14,936,192,000 as at 31 December 2019, mainly attributable to an increase in due to clients.

##### Due to clients

|  | <b>31 December<br/>2020<br/>HK\$'000</b> | 31 December<br>2019<br>HK\$'000 | <b>Increase/(decrease)<br/>Amount<br/>HK\$'000</b> | %     |
|--|--|---------------------------------|--|-------|
| Due to clients – precious metals                   | 130,119                                  | 56,762                          | 73,357   | 129.2 |
| Other amounts due to clients, mainly bank deposits | 13,835,358                               | 11,906,290                      | 1,929,068  | 16.2  |

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

Gross profit from non-banking and financial businesses was HK\$769,515,000, a decrease of HK\$486,107,000, or 38.7%.

#### (6) EBITDA

EBITDA was HK\$111,176,000, a decrease of HK\$301,647,000 or 73.1%.

#### (7) Selling and distribution expenses

Total selling and distribution expenses was HK\$550,428,000, a decrease of HK\$267,461,000 or 32.7%.



# Management Discussion and Analysis

## (8) Administrative expenses

Total administrative expenses was HK\$728,432,000, a decrease of HK\$48,682,000 or 6.3%.

## (9) Share of profit of associates

The share of profit of Fair Future Industrial Limited ("Fair Future"), a 25% owned associate of the Group, was HK\$3,180,000, representing a decrease of HK\$14,495,000 or 82.0%. Fair Future is one of the leading OEM quartz watch manufacturers in Mainland China.

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

Finance costs from non-banking business was HK\$82,956,000, representing a decrease of HK\$12,364,000 or 13.0%. It was composed of the interest charged on corporate bonds and the interest charged on bank borrowings, bank overdrafts and lease liabilities.

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

Loss attributable to owners of the Company was HK\$169,233,000 (31 December 2019: profit of HK\$44,246,000) for the year ended 31 December 2020.

## (12) Inventories

Inventories was HK\$2,255,553,000, a decrease of HK\$2,413,000 or 0.1%.

## OUTLOOK

COVID-19 continues to dominate the headlines, for both everyday life and developments of the global economy.

The central banks of major economies have pulled out all the policies since COVID-19 crisis began, pursuing unprecedented and decisive monetary expansion in order to support the economic activity. Similarly, the central banks of some smaller advanced economies, such as Australia and New Zealand, and emerging economies, such as India, have also resorted to unconventional measures. Fiscal measures are complemented by coherent and tough virus-containment strategies, which credibly enable economic reopening.

Mainland China has achieved apparent success in bringing epidemic under control and it is now the first major economy to recover from COVID-19. Coupled with the positive and strong economic fundamentals, Mainland China is expected to remain one of the world's few countries where the citizens live and work normally. Owing to the unresolved COVID-19 challenges, major economies other than Mainland China are yet to recover. The short-term outlook for the global economy remains uncertain and will be highly dependent on the duration of COVID-19. Vaccines from Mainland China, the UK, the US and Europe, although not 100% proven effective, are available for injection starting from January 2021 in advanced countries. By the end of 2021, most population of both advanced and developing countries would have been injected with vaccine. Hence, the global economic growth is expected to be still negative before economies are practically reopened in 2022.

In 2021, the local proprietary watch brand business in Mainland China is expected to rebound gradually although slowly. Generally, the market conditions are expected to be optimistic in 2021. Our well-established e-commerce platform and our comprehensive and unique network across Mainland China would contribute to the slight recovery in 2021 and significant recovery in 2022 when both consumption propensity and consumer confidence are substantially re-established.

The foreign proprietary watch brand business, owing to the adverse impact of continuous social distancing, lock-downs and travel restrictions on their key markets where the general demand is relatively weak, remains very challenging in 2021. Apparently, the prospect in 2022 is expected to be slightly optimistic when major economies are gradually reopened.

Bendura Bank, although its operation and performance being affected by COVID-19, has developed organically as shown by the stability of asset under management, higher liquidity level and increased headcount. By combining human resources, market opportunities and risk management, and by drawing on the professionalism of its banking and financial businesses employees, a powerful banking and financial business segment with operations in Hong Kong, Mainland China and Europe will gradually evolve. The banking and financial businesses continue to perform with banking business as the main driver of revenue and profitability in the years to come. It is our objective to keep investing in the growth of the banking and financial businesses. Specifically, we intend to strengthen Bendura Bank's capital base to support the sustainable growth of its credit business and to expand its geographical coverage and product coverage in Hong Kong, Mainland China, East Asia and strengthen Bendura Bank's asset management business. Besides, we intend to pursue selective strategic investment and acquisition opportunities related to the banking business.

We have strong faith that the world will overcome this challenging period. Meanwhile our organization must adopt a new mindset and take this as the most important lesson that we should learn and improve from. Should the disposal of most watch companies be properly executed in the second quarter, if not in the third quarter, of 2021, the Group will then primarily focus on the banking and financial businesses. Given the competent human resources and strong infrastructure, the Group is well placed to meet the challenging economic environment and to grasp opportunities and keep striving for sustainable profitability under the new business structure.

## EMPLOYEES AND REMUNERATION POLICY

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

As at 31 December 2020, the Group had approximately 4,600 fulltime staff in Hong Kong and Mainland China and approximately 300 fulltime staff in Europe. The remuneration packages offered to the employees were determined and reviewed on an arm's length basis with reference to the market condition and individual performance. The Group also provides other benefits to its employees, including year-end double pay, medical insurance and retirement benefits, and incentive bonuses are offered with reference to the Group's operating results and employees' individual performance. All employees of the Group in Hong Kong have joined the provident fund schemes. Employees of Group's subsidiaries in Mainland China also have participated in social insurance scheme administrated and operated by local authorities and contributions were made according to the local laws and regulations.

## APPRECIATION

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

**Shang Jianguang**

*Executive Director & CEO*

Hong Kong, 30 March 2021



# Directors and Senior Management

## EXECUTIVE DIRECTORS



**HON Kwok Lung, BBS**  
Chairman

Mr. Hon Kwok Lung, aged 66, joined the Board in April 2004. He is the chairman of the nomination committee and a member of the remuneration committee of the Company. Mr. Hon was the Chairman of Citychamp Dartong Company Limited ("Citychamp Dartong"), the shares of which are listed on the Shanghai Stock Exchange with stock code 600067 in Mainland China, during the period from November 2001 to January 2017. Mr. Hon is still the actual controller of Citychamp Dartong. Citychamp Dartong is principally engaged in property development and manufacturing and sale of enamelled copper wires in Mainland China. Mr. Hon has extensive business experience in Mainland China, Hong Kong and Europe. Mr. Hon is an Executive Member of All-China Federation of Returned Overseas Chinese Committee and the Executive Vice President of China Federation of Overseas Chinese Entrepreneurs. Mr. Hon is also appointed as director of various subsidiaries of the Company, including Bendura Bank AG. Mr. Hon is father of Mr. Hon Hau Wong, father-in-law of Ms. Sit Lai Hei and Mr. Teguh Halim and brother-in-law of Mr. Lam Toi Man.



**SHANG Jianguang**  
Chief Executive Officer

Mr. Shang Jianguang, aged 69, joined the Board in November 2004. He is a member of the remuneration committee and the nomination committee of the Company. Mr. Shang has been appointed as the chairman of Ernest Borel Holdings Limited (stock code: 1856, "Ernest Borel"), a subsidiary of the Company, with effect from 12 October 2018. Mr. Shang is also appointed as director of various subsidiaries of the Company, including Bendura Bank AG, and the General Manager of Zhuhai Rossini Watch Industry Limited and EBOHR Luxuries International Limited. Mr. Shang, graduated in Fuzhou University majoring in Chemistry, is a qualified senior engineer in Mainland China. Prior to joining the Group, he assumed senior posts in various large companies, and was General Manager and Director of Min Xin Holdings Limited (stock code: 222). He also served as a director of Citychamp Dartong, the shares of which are listed on the Shanghai Stock Exchange, from December 2007 to January 2020. Mr. Shang has extensive knowledge and experience in corporate and investment management.



**SHI Tao**

Mr. Shi Tao, aged 57, joined the Board in April 2004. Mr. Shi holds a Bachelor degree in Engineering from Tsinghua University and a Master degree in Engineering from Wuhan University of Technology (formerly known as Wuhan Industrial University). Mr. Shi has years of business experience in Mainland China. He was an Executive Director of New Capital International Investment Limited, a company listed on the main board of the Stock Exchange. Mr. Shi is a member of the risk management committee of the Company and director of various subsidiaries of the Group.



**LAM Toi Man**

Mr. Lam Toi Man, aged 63, joined the Board in April 2004. Mr. Lam has various years of experience in property development in Mainland China. Mr. Lam was the General Manager of Zhejiang Huashun Real Estate Investment Co., Ltd. and an Executive Director and the General Manager of Hangzhou Yuanhua Mart Construction Co., Ltd. Mr. Lam is the brother-in-law of Mr. Hon Kwok Lung, uncle of Mr. Hon Hau Wong and uncle-in-law of Ms. Sit Lai Hei and Mr. Teguh Halim. Mr. Lam is a member of the risk management committee of the Company and director of various subsidiaries of the Group. He has been appointed as an executive director of AVIC Joy Holdings Limited (stock code: 260) since 18 September 2020.



**BI Bo**

Mr. Bi Bo, aged 42, joined the Board in August 2010. Mr. Bi received a degree of Master of Science (Finance) from The Johns Hopkins University in May 2006. Prior to joining the Group, he was a senior actuarial assistant (supervisor) in Carefirst Bluecross Blueshield, working on actuarial valuation and risk management of insurance company. He qualifies as an associate of the Society of Actuaries (ASA) in 2009. He also has years of experience in M&A activities. Mr. Bi is also a member of the risk management committee of the Company and director of various subsidiaries of the Group.



## Directors and Senior Management

### EXECUTIVE DIRECTORS



**SIT Lai Hei**

Ms. Sit Lai Hei, aged 43, joined the Board in November 2004. She was appointed as a Non-executive Director of the Company in November 2004 and re-designated as an Executive Director of the Company on 26 March 2012. Ms. Sit graduated in Fuzhou University taking Marketing as her major and is a qualified assistant engineer in Mainland China. Ms. Sit is also a Director of Citychamp Dartong, the shares of which are listed on the Shanghai Stock Exchange, and the legal representative and director of Fujian Fengrong Investment Co., Ltd. Ms. Sit is the daughter-in-law of Mr. Hon Kwok Lung, a niece-in-law of Mr. Lam Toi Man and sister-in-law of Mr. Hon Hau Wong and Mr. Teguh Halim. Ms. Sit is also the chairman of the risk management committee of the Company and director of various subsidiaries of the Group.



**HON Hau Wong**

Mr. Hon Hau Wong, aged 43, joined the Board in August 2014. Mr. Hon graduated from Tongji University and holds a bachelor degree in Engineering Management. He had also served as the Deputy Chairman of Citychamp Dartong, the shares of which are listed on the Shanghai Stock Exchange, since August 2006, and have been elected to be the Chairman of Citychamp Dartong since January 2017. He has extensive experience in the real estate industry in Mainland China. He is currently a member of Fujian Province Committee of the Chinese People's Political Consultative Conference and a standing member of Beijing Haidian Committee of the Chinese People's Political Consultative Conference. Mr. Hon Hau Wong is a son of Mr. Hon Kwok Lung, a nephew of Mr. Lam Toi Man and brother-in-law of Ms. Sit Lai Hei and Mr. Teguh Halim.



**Teguh HALIM**

Mr. Teguh Halim, aged 39, joined the Group in October 2008 and has been appointed as an Executive Director of the Company since 23 January 2018. Before being appointed as an Executive Director of the Company, he was an Vice President of the Company. Mr. Halim is also the director of several subsidiaries of the Company engaged in watch business. Mr. Halim has also been appointed as the vice chairman of Ernest Borel with effect from 12 October 2018. He has gained years of experience in the watch manufacturing and distribution industry and business management. Mr. Halim graduated from Ohio State University as bachelor of science in business administration majoring in accounting. Mr. Halim is the son-in-law of Mr. Hon Kwok Lung, nephew-in-law of Mr. Lam Toi Man and brother-in-law of Ms. Sit Lai Hei and Mr. Hon Hau Wong.

**INDEPENDENT  
NON-EXECUTIVE  
DIRECTORS****KWONG Chun Wai, Michael**

Dr. Kwong Chun Wai, Michael, aged 56, joined the Board in April 2004 and is a member of the audit committee, the remuneration committee and the nomination committee of the Company. Dr. Kwong is a fellow of the International Institute of Management, a member of the Hong Kong Institute of Marketing, a business strategist specialising in the area of marketing and business administration. Dr. Kwong obtained a Bachelor of arts degree with honours in philosophy from the University of Nottingham in the United Kingdom in 1987 and a Doctorate degree in business administration from Newport University (US) in 2001.

**ZHANG Bin**

Mr. Zhang Bin, aged 56, joined the Board in November 2014 and is a member of the audit committee, the remuneration committee and the nomination committee of the Company. Mr. Zhang is currently a partner of Beijing Hylands Law Firm ("Hylands"). He obtained a degree of Bachelor of Laws from Fudan University in Shanghai in 1986 and was qualified as a lawyer in China in 1988 and had served as a legal advisor in a large scale state-owned enterprise for years upon his graduation. Before joining Hylands in 2008, he worked in law firms in Beijing, London and Hong Kong. Mr. Zhang is involved in a wide range of areas of practice and has accumulated tremendous experiences in legal affairs in respect of financial investments, real estates and intellectual property rights.

## Directors and Senior Management

### INDEPENDENT NON-EXECUTIVE DIRECTORS



**KAM, Eddie Shing Cheuk**

Mr. Kam, Eddie Shing Cheuk (formerly known as Kam Leung Ming), aged 46, joined the Board in November 2020 and is the chairman of the audit committee and the remuneration committee and a member of the nomination committee of the Company. He holds a bachelor's degree in accountancy and a master's degree in corporate governance from the Hong Kong Polytechnic University. He is currently a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of The Institute of Chartered Accountants in England and Wales, an associate member of The Hong Kong Institute of Chartered Secretaries and an associate member of The Chartered Governance Institute. Mr. Kam has over 24 years of experience in auditing, professional accounting and worked for several Hong Kong listed companies of various industries and served senior roles in financial management and secretarial functions.

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

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



**LI Ziqing**

Mr. Li Ziqing, aged 69, joined the Board in November 2020 and is a member of the audit committee, the remuneration committee and the nomination committee of the Company. He graduated from Peking University, and he is a senior economist. From 1981 to 1982, he worked in the General Bureau of Bank of China Headquarters. From September 1982 to March 1998, he served as a cadre of the Foreign Exchange Division and Deputy Director of the Information Department of the State Administration of Foreign Exchange of the People's Republic of China. From March 1998 to 2013, he served as the Vice President and Party Committee Member of China Everbright Bank ("Everbright Bank") and he served as Vice President and Chairman of Everbright Financial Leasing Company from 2010 to 2013. In addition, during the tenure of Mr. Li at Everbright Bank, he has been in charge of several departments including the Development Research Department, Accounting Department, Retail Business Department, Wealth Center, Credit Card Department, Financial Market Department, Investment Banking Department, and Technology Department, etc.. Among them, the credit card department, investment banking department, wealth center and the leasing company were founded by Mr. Li. Mr. Li also led Everbright Bank to issue the first wealth management products in the banking industry.

## SENIOR MANAGEMENT



**FONG Chi Wah**

Mr. Fong Chi Wah, aged 58, is the Chief Financial Officer and Company Secretary of the Company. Mr. Fong is also a director of various subsidiaries of the Company, including Bendura Bank AG. Mr. Fong is a fellow member of HKICPA, a fellow member of CPA Australia, a Chartered Financial Analyst, a member of the Institute of Certified Management Accountants, Australia and a fellow of the Hong Kong Institute of Directors. Mr. Fong has over 25 years of extensive experience in various sectors of the financial industry, including direct investment, project and structured finance, and capital markets with focus on Mainland China and Hong Kong. Mr. Fong was a director of Baring Capital (China) Management Limited and held various management positions in ING Bank. He joined the Company in September 2004.



**LU Jun**

Mr. Lu Jun, aged 57, has been appointed as the Vice President of the Company since October 2014. He currently serves as the General Manager of Guangzhou Five Goat Watch Company Limited, the Chairman of The Dreyfuss Group Limited and the CEO of Eterna Movement AG, all of which are subsidiaries of the Company. Mr. Lu holds a master degree in Executive Master of Business Administration from Tianjin University of Finance & Economics. He had been working for Tianjin Watch Factory (currently known as Tianjin Seagull Watch Co., Ltd, "Tianjin Seagull") since 1983 and acting as the General Manager of Tianjin Seagull for almost four years before joining the Company. Mr. Lu has engaged in the domestic and overseas watch industry for more than 30 years and possesses tremendous experiences in business administration and international trading.



**LAM Lai**

Ms. Lam Lai, aged 42, has been appointed as the Vice President of the Company in April 2021. She is also the director of various subsidiaries of the Company, including Bendura Bank AG and VGB Limited. Ms. Lam joined the Company in 2008 and served as investment manager and CEO assistant, mainly responsible for merger and acquisition projects as well as business development. Ms. Lam is currently an Executive Director and Authorized Representative of Ernest Borel and a Non-executive Director of Dragon Mining Limited (Stock code: 1712). Ms. Lam graduated from University of Western Sydney in 2001 with a bachelor degree of business majoring in marketing.



# Corporate Governance Report

## CORPORATE GOVERNANCE CODE

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

The Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code (the "CG Code") and Corporate Governance Report as set out in Appendix 14 to the Rules ("Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the year ended 31 December 2020 except with the details disclosed below:

### (i) CG Code E.1.2

CG Code E.1.2 stipulates that the Chairman of the board of directors (the "Board") should attend the annual general meeting of the Company. The Chairman of the Board was unable to attend the annual general meeting of the Company held on 30 June 2020 (the "AGM 2020") due to other business engagement.

### (ii) CG Code A.6.7

CG Code A.6.7 stipulates that independent non-executive directors should attend general meetings. Three independent non-executive directors of the Company (the "Independent Non-executive Director") did not attend the AGM 2020 due to other business engagements or travel restrictions under COVID-19.

Note:

Mr. Fung Tze Wa ("Mr. Fung") and Mr. Rudolf Heinrich Escher ("Mr. Escher") resigned from their respective directorship with effect from 1 September 2020 and accordingly, Mr. Fung ceased to be the chairman of Audit Committee and a member of each of the Remuneration Committee and Nomination Committee and Mr. Escher ceased to be a member of each of the Audit Committee, Remuneration Committee and Nomination Committee. Upon of their resignation, the Board comprises of ten Directors, including eight Executive Directors and two Independent Non-executive Directors. The number and composition of Independent Non-executive Directors fail to meet the requirements under (i) Listing Rule 3.10(1) which requires that every board of directors must include at least three independent non-executive directors; (ii) Listing Rule 3.10(2) which requires at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise; and (iii) Listing Rule 3.10A which requires that the number of independent non-executive directors must represent at least one-third of the board.

In addition, following the resignation of Mr. Fung and Mr. Escher, the Company does not meet the requirements of the Listing Rules (i) Rule 3.21 which requires that the Audit Committee must be chaired by an independent non-executive director and comprise a minimum of three members and at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2); (ii) Rule 3.25 requires that the Remuneration Committee must be chaired by an independent non-executive director and comprise a majority of independent non-executive directors; and (iii) CG Code A.5.1 requires the Nomination Committee must comprise a majority of independent non-executive directors.

With effect from 6 November 2020, (i) Mr. Kam, Eddie Shing Cheuk ("Mr. Kam") has been appointed as an Independent Non-executive Director, the Chairman of the Audit Committee, the Chairman of the Remuneration Committee and a member of the Nomination Committee; and (ii) Mr. Li Ziqing ("Mr. Li") has been appointed as an Independent Non-executive Director and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee.

Following the appointment of Mr. Kam and Mr. Li, the Company has complied with Rules 3.10, 3.10A, 3.21 and 3.25 of the Listing Rules and CG Code A.5.1.

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

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules as the code of conducts for securities transactions by Directors of the Company. All the members of the Board have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2020.

## BOARD OF DIRECTORS

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

### Size, Composition and Diversity of the Board

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

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

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

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

- (i) Mr. Hon Kwok Lung is father of Mr. Hon Hau Wong, father-in-law of Ms. Sit Lai Hei and Mr. Teguh Halim and brother-in-law of Mr. Lam Toi Man.
- (ii) Mr. Lam Toi Man is the brother-in-law of Mr. Hon Kwok Lung, uncle of Mr. Hon Hau Wong and uncle-in-law of Ms. Sit Lai Hei and Mr. Teguh Halim.
- (iii) Ms. Sit Lai Hei is the daughter-in-law of Mr. Hon Kwok Lung, a niece-in-law of Mr. Lam Toi Man and sister-in-law of Mr. Hon Hau Wong and Mr. Teguh Halim.
- (iv) Mr. Hon Hau Wong is a son of Mr. Hon Kwok Lung, and also a nephew of Mr. Lam Toi Man and brother-in-law of Ms. Sit Lai Hei and Mr. Teguh Halim.
- (v) Mr. Teguh Halim is the son-in-law of Mr. Hon Kwok Lung, nephew-in-law of Mr. Lam Toi Man and brother-in-law of Ms. Sit Lai Hei and Mr. Hon Hau Wong.

Profiles of Directors are set out in the pages 31 to 35 of this annual report.

# Corporate Governance Report

## Board Diversity Policy

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

A board diversity policy (the "Board Diversity Policy") was adopted by the Company in order to set out the approach to achieve diversity of the Board, a summary of which is set forth on page 65 of this annual report.

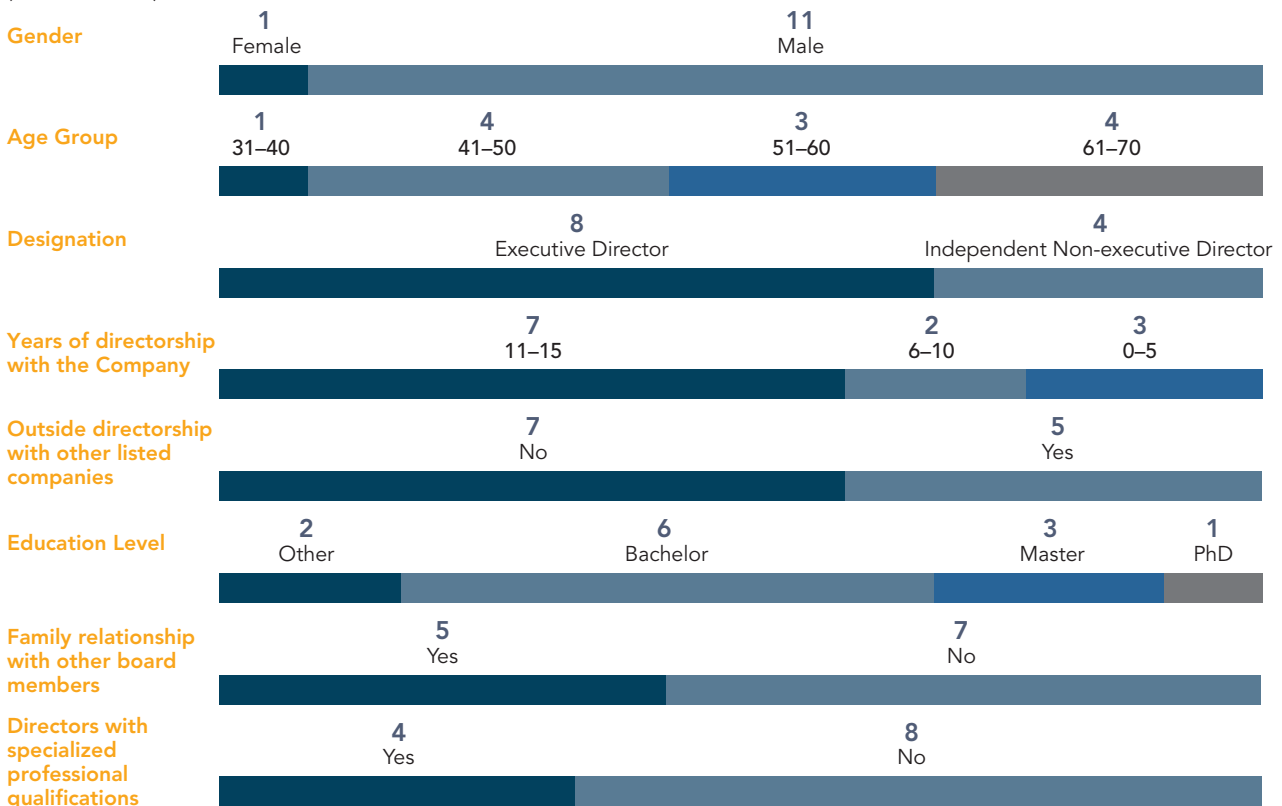
With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. All board appointments will be made on a merit basis but the Company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

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

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

## Board Diversity

(no. of members)



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

The Company adopted a nomination policy (the "Nomination Policy"), aiming to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business. The Nomination Policy sets out, among others, factors that will be given due consideration to in assessing, selecting and recommending candidates for directorship to the Board and the nomination procedures, details of which are set out on pages 62 to 64 of this annual report.

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

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

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

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

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

Special consideration will be given to the independence of Dr. Kwong Chun Wai, Michael, who has served the Company as Independent Non-executive Director since 2004. In this regard, a separate resolution to approve his re-election will be submitted to the forthcoming annual general meeting for shareholders' approval in accordance to CG Code A.4.3. The Company still considers Dr. Kwong to be independent.

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

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

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

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

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



# Corporate Governance Report

During the year ended 31 December 2020, four board meetings and one general meeting were held and the individual attendance of each Director is set out below:

| Name of Directors                           | Attendance/Number of Meetings Held |          |
|---|------------------------------------|----------|
|   | Board Meetings                     | AGM 2020 |
| <b>Executive Directors:</b>                 |                                    |          |
| HON Kwok Lung                               | 4/4                                | 0/1      |
| SHANG Jianguang                             | 4/4                                | 1/1      |
| SHI Tao                                     | 3/4                                | 0/1      |
| LAM Toi Man                                 | 4/4                                | 1/1      |
| BI Bo                                       | 4/4                                | 1/1      |
| SIT Lai Hei                                 | 2/4                                | 0/1      |
| HON Hau Wong                                | 1/4                                | 0/1      |
| Teguh HALIM                                 | 4/4                                | 1/1      |
| <b>Independent Non-executive Directors:</b> |                                    |          |
| FUNG Tze Wa*                                | 1/2                                | 0/1      |
| KWONG Chun Wai, Michael                     | 3/4                                | 1/1      |
| ZHANG Bin                                   | 3/4                                | 0/1      |
| Rudolf Heinrich ESCHER*                     | 1/2                                | 0/1      |
| KAM, Eddie Shing Cheuk*                     | 1/1                                | N/A      |
| LI Ziqing#                                  | 1/1                                | N/A      |

\* resigned on 1 September 2020

# appointed on 6 November 2020

## Re-election of Directors

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

According to Article 99 of the Articles of Association of the Company, any Director appointed as an addition to the Board shall hold office only until the following general meeting of the Company and shall be eligible for re-election at that meeting. Further, according to Article 116 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation. Every Director should be subject to retirement by rotation at least once every three years. To enable shareholders of the Company to make an informed decision on the re-election of retiring directors at the forthcoming annual general meeting, their biographies are set out in the circular of the Company dated 28 April 2021.

## Continuing Professional Development

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

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

## Directors' participation of continuous professional development

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

\* resigned on 1 September 2020

# appointed on 6 November 2020

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

Tailored introduction kit will be given to newly appointed director to his individual needs. This includes meetings with other directors and senior management of the Company and the external auditors, to enable them to have better understanding of the Group's business and strategy and the key risks and issues. With such information, the Directors can carry out their duties in an informed manner. Two Independent Non-executive Directors were appointed in November 2020, and a training on director's responsibilities was given to them by external lawyers.

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

# Corporate Governance Report

## Communication with Directors

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

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

## Insurance for Directors and Officers

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

## Directors' Shareholding Interests

Directors' interests in the securities of the Company and its associated corporations as at 31 December 2020 are disclosed in pages 54 to 55 of this annual report.

## BOARD COMMITTEES

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



## Audit Committee

The details of the audit committee of the Company and its work performed during the year ended 31 December 2020 are set out on pages 59 to 60 of this annual report.

### Risk Management Committee

The details of the risk management committee of the Company and its work performed during the year ended 31 December 2020 are set out on pages 67 to 71 of this annual report.

### Remuneration Committee

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

The Remuneration Committee currently comprises following members:

#### Independent Non-executive Directors

KAM, Eddie Shing Cheuk (*Committee Chairman*)

KWONG Chun Wai, Michael

ZHANG Bin

LI Ziqing

#### Executive Directors

HON Kwok Lung

SHANG Jianguang

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

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

| Members   | Attendance/<br>Number of<br>Meetings Held |
|---|---|
| FUNG Tze Wa ( <i>Committee Chairman</i> )*            | 1/1                                       |
| KAM, Eddie Shing Cheuk ( <i>Committee Chairman</i> )# | 0/0                                       |
| HON Kwok Lung   | 1/1                                       |
| SHANG Jianguang                                       | 1/1                                       |
| KWONG Chun Wai, Michael                               | 1/1                                       |
| ZHANG Bin   | 1/1                                       |
| Rudolf Heinrich ESCHER*                               | 1/1                                       |
| LI Ziqing#  | 0/0                                       |

\* resigned on 1 September 2020

# appointed on 6 November 2020



# Corporate Governance Report

## Nomination Committee

The details of the Nomination Committee of the Company and its work performed during the year ended 31 December 2020 are set out on pages 61 to 66 of this annual report.

## COMPANY SECRETARY

Mr. Fong Chi Wah is the Chief Financial Officer and Company Secretary of the Company. The Company Secretary supports the Chairman in promoting the highest standards of corporate governance and facilitates the effective functioning of the Board and its committees. All Directors have direct access to the advice and services of the Company Secretary. The Company Secretary reports to the Chairman on board governance matters, and is responsible for ensuring that board policy and procedures are followed and for facilitating timely and appropriate information flows among Directors. The Company Secretary also plays an essential role in the communication with investors, regulators and other stakeholders. The Company Secretary and the assistant company secretary participate in a variety of trainings organized by the professional accounting and company secretarial associations. During 2020, the Company Secretary undertook over 20 hours of relevant professional training respectively to update his skills and knowledge in compliance with Rule 3.29 of the Listing Rules.

The biography of the Company Secretary is set out in the Directors and Senior Management section on page 36 of this annual report.

## INTERNAL AUDIT

The Group has established its internal audit function during the year ended 31 December 2020 as required under CG Code C.2 and the Group Internal Audit applies the Standards for Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The Group Internal Auditor, reporting directly to the Audit Committee of the Company and administratively to the Chief Executive Officer of the Company.

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

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

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

## EXTERNAL AUDITOR

The Group's external auditor for the year ended 31 December 2020 was BDO Limited ("BDO"). The audit committee reviews and monitors the independence of the external auditor to ensure the effectiveness of the audit process in accordance with applicable standards and the objectivity of the financial statements. BDO has made a written declaration to the audit committee that they are independent with respect to the Company and that they are not aware of any matters which may reasonably be thought to bear on their independence. The following table illustrates the fees paid/payable by the Group to BDO in the past two years for audit and non-audit services:

|                    | 2020                 | 2019                 |
|--------------------|----------------------|----------------------|
| Audit services     | HK\$4,800,000        | HK\$4,800,000        |
| Non-audit services | HK\$2,300,000        | HK\$300,000          |
| <b>Total</b>       | <b>HK\$7,100,000</b> | <b>HK\$5,100,000</b> |

The non-audit services for the year ended 31 December 2020 mainly included professional services in respect of interim financial information and very substantial disposal transaction.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board acknowledges its responsibility for preparing the financial statements for the year ended 31 December 2020, which give a true and fair view of the Group's state of affairs, results and cash flow for that period. In preparing the financial statements for the year ended 31 December 2020, the Board:

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

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

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

## DIVIDEND POLICY

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

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

# Corporate Governance Report

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

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

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

## SHAREHOLDERS' RIGHT

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

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

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

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

## COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONSHIP

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

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

The most recent annual general meeting was the AGM 2020 held at Ming Room II, Fourth Floor, Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong on 30 June 2020. At the AGM 2020, separate resolutions were proposed on each substantially separate issue including the re-election of individual directors. The procedures for demanding a poll were explained in the circular to shareholders despatched together with the Annual Report 2019. The major items discussed at the AGM 2020 were:

- receiving and adopting the audited consolidated financial statements and the report of the directors and the independent auditor's report for the year ended 31 December 2019;
- re-electing Directors and authorising the Board to fix their remuneration;
- re-appointing the auditor and authorising the Board to fix their remuneration;
- approving a general mandate to authorise the Directors to make share buy-backs; and
- approving a general mandate to authorise the Directors to allot and issue shares.

The poll results were posted on the websites of both the Company ([www.irasia.com/listco/hk/citychamp](http://www.irasia.com/listco/hk/citychamp)) and the Stock Exchange on the same day after the AGM 2020.

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





# Corporate Governance Report

Key shareholders' events in 2020 are set out below:

| Events  | Date              |
|---|-------------------|
| Announcement in respect of annual results for the year ended 31 December 2019   | 31 March 2020     |
| Publication and despatch of annual report 2019  | 28 April 2020     |
| AGM 2020  | 30 June 2020      |
| Announcement in respect of unaudited interim results for the six months ended 30 June 2020  | 28 August 2020    |
| Announcement in respect of resignation of Independent Non-executive Directors   | 1 September 2020  |
| Publication and despatch of interim report 2020   | 28 September 2020 |
| Announcement in respect of appointment of Independent Non-executive Directors   | 6 November 2020   |
| Announcement in respect of very substantial disposal and connected transaction relating to the disposal of sale shares and sale loans of the target companies | 16 December 2020  |

Important shareholders' dates in the coming 2021 are set out below:

| Events  | Date             |
|---|------------------|
| Circular in respect of very substantial disposal and connected transaction    | 25 February 2021 |
| Extraordinary general meeting   | 25 March 2021    |
| Announcement in respect of annual results for the year ended 31 December 2020 | 30 March 2021    |
| Publication and despatch of annual report 2020                                | 28 April 2021    |
| Annual general meeting 2021   | 28 May 2021      |

There was no change to the Memorandum and Articles of Association of the Company during the year ended 31 December 2020.

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

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

## MATERIAL EVENTS AFTER CLOSURE OF FINANCIAL YEAR

Material events after closure of financial year are set out in note 53 to the consolidated financial statements.

# Report of the Directors

The Board of directors of the Company are pleased to present their report and the audited financial statements of the Company and its subsidiaries (together the “Group”) for the year ended 31 December 2020.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and its subsidiaries are engaged in manufacturing and distribution of watches and timepieces, property investments, and banking and financial businesses. Details of the principal activities of the principal subsidiaries are set out in note 52 to the consolidated financial statements. There were no other significant changes to the Group’s principal activities during the year.

## FINANCIAL STATEMENTS

The financial performance of the Group for the year ended 31 December 2020 and the financial positions of the Group as at that date are set out in the consolidated financial statements on pages 149 to 334 of this annual report.

## BUSINESS REVIEW

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

| Required disclosures   | Relevant sections  |
|--|--|
| a fair review of the Group’s business for the year ended 31 December 2020  | Chairman’s Statement (pages 5 to 9)<br>Management Discussion and Analysis (pages 10 to 30) |
| a description of the principal risks and uncertainties facing the Group  | Risk Management Committee Report (pages 67 to 71)  |
| particulars of important events affecting the Group that have occurred since the end of the financial year ended 31 December 2020 (if any)   | Material events after Closure of Financial Year (page 49)                                  |
| an indication of likely future development in the Group’s business   | Outlook (pages 8 to 9 and pages 29 to 30)  |
| an analysis using financial key performance indicators   | Management Discussion and Analysis (pages 10 to 30)  |
| a discussion on (i) the Group’s environmental policies and performance; and (ii) the Group’s compliance with the relevant laws and regulations that have a significant impact on the Group | Environmental, Social and Governance Report 2020 published separately by the Company       |
| an account of the Group’s key relationships with its stakeholders that have a significant impact on the Group and on which the Group’s success depends                                     | Environmental, Social and Governance Report 2020 published separately by the Company       |

# Report of the Directors

## SUMMARY FINANCIAL INFORMATION

A summary of the published results, assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on pages 335 to 337 of this annual report. This summary does not form part of the audited consolidated financial statements.

## PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment, and investment properties of the Company and of the Group during the year are set out in notes 27 and 28 to the consolidated financial statements, respectively. Further details of the Group's principal investment properties are set out on pages 338 to 339 of this annual report.

## SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 41 to the consolidated financial statements.

## PRE-EMPTIVE RIGHTS

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

## PERMITTED INDEMNITY PROVISION

During 2020, the permitted indemnity provision was in force for the benefits of directors. The Company has arranged appropriate directors' and officers' liability insurance for the directors and officers of the Group in respect of potential losses or liabilities which the directors and officers may incur in the performance of their duties.

## SUBSIDIARIES

Particulars of the principal subsidiaries of the Company as at 31 December 2020 are set out in note 52 to the consolidated financial statements.

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

The Company and its subsidiaries did not buy back any Company's listed shares (whether on the Stock Exchange or otherwise) during the year ended 31 December 2020.

## RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 42 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

## DISTRIBUTABLE RESERVES

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

As at 31 December 2020, the Company had reserves of HK\$1,066,942,000 being the aggregate of retained profits and share premium account, available for cash distribution and/or distribution in specie.

## MAJOR CUSTOMERS AND SUPPLIERS

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

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

## DIRECTORS

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

### Current Board members:

Mr. Hon Kwok Lung, *Chairman*  
 Mr. Shang Jianguang, *Chief Executive Officer*  
 Mr. Shi Tao  
 Mr. Lam Toi Man  
 Mr. Bi Bo  
 Ms. Sit Lai Hei  
 Mr. Hon Hau Wong  
 Mr. Teguh Halim  
 Dr. Kwong Chun Wai, Michael  
 Mr. Zhang Bin  
 Mr. Kam, Eddie Shing Cheuk (appointed on 6 November 2020)  
 Mr. Li Ziqing (appointed on 6 November 2020)

### Ex-directors:

Mr. Fung Tze Wa (resigned on 1 September 2020)  
 Mr. Rudolf Heinrich Escher (resigned on 1 September 2020)

In accordance with Articles 116 and 99 of the Articles of Association of the Company, one-third of the directors for the time being and the newly appointed directors shall retire from office and be eligible for re-election at the forthcoming annual general meeting of the Company, provided that every director shall be subject to retirement by rotation at least once every three years as prescribed by the Listing Rules. Accordingly, Mr. Shi Tao, Ms. Sit Lai Hei, Mr. Teguh Halim, Dr. Kwong Chun Wai, Michael, Mr. Kam, Eddie Shing Cheuk and Mr. Li Ziqing will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

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



# Report of the Directors

## DIRECTORS AND SENIOR MANAGEMENT'S BIOGRAPHIES

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

Changes in the biographical details of the directors since the publication of the 2020 interim report are set out below:

- (1) Mr. Lam Toi Man, an executive director of the Company, was appointed as an executive director of AVIC Joy Holdings Limited (a company listed on the Main Board of the Stock Exchange, Stock Code: 260) on 18 September 2020.
- (2) Mr. Kam, Eddie Shing Cheuk, an independent non-executive director of the Company, was appointed as an independent non-executive director of Xiezhong International Holdings Limited (a company listed on the Main Board of the Stock Exchange, Stock Code: 3663) on 16 December 2020 and as a non-executive director of Panagaea Connectivity Technology Ltd. (a company listed on the Main Board of the Stock Exchange, Stock Code: 1473) on 19 February 2021.

Biographical details of the Directors and the senior management of the Company as at the date of this report are set out on pages 31 to 36 of this annual report.

## DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in paragraphs of "Connected Transaction" below, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 31 December 2020.

## DIRECTORS SERVICE CONTRACTS

Mr. Shang Jianguang, the Executive Director and CEO, has entered into service contract with the Company for a term of three years commencing from 18 November 2011, which is subject to termination by either party by giving not less than three-month written notice. The contract can be renewed upon both parties' consent. Each of other Executive Directors of the Company has entered into service contract with the Company for an initial term of two years commencing from the date of appointment, which is automatically renewed for successive terms unless it is terminated by either party by giving not less than two-month written notice. Each Independent Non-executive Director of the Company has entered into service contract with the Company for an initial term of two years commencing from the date of appointment, which is automatically renewed for successive terms unless it is terminated by either party by giving not less than one-month written notice.

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

## DIRECTORS' REMUNERATION

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

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

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

As at 31 December 2020, the interests or short positions of the Directors and chief executive in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in the Appendix 10 to the Listing Rules, were as follows:

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

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

Notes:

The percentage of shareholding is calculated on the basis of the Company's issued share capital of 4,351,888,206 shares as at 31 December 2020.

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

# Report of the Directors

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

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

### Notes:

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

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

Save as disclosed above, as at 31 December 2020, no person had registered an interest or short position in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

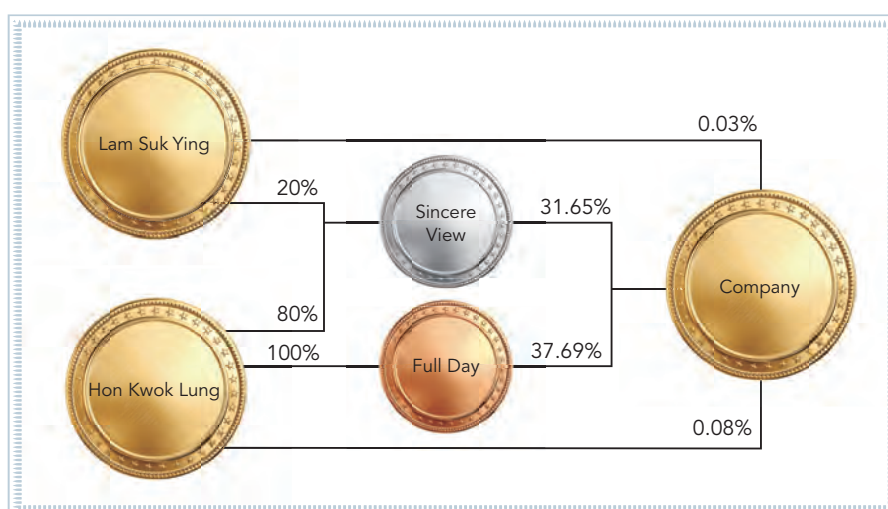
As at 31 December 2020, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

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

Notes:

The percentage of shareholding is calculated on the basis of the Company's issued share capital of 4,351,888,206 shares as at 31 December 2020.

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



Save as disclosed above, as at 31 December 2020, no person, other than the directors and chief executive of the Company, whose interests are set out in the section headed "Directors', chief executive's and senior management's interests and short positions in shares and underlying shares" above, had registered an interest or short position in shares and underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

### CONNECTED TRANSACTION

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

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



## Report of the Directors

The connected transaction was approved by independent shareholders at the extraordinary general meeting of the Company held on 25 March 2021. Pursuant to the terms of the Sale and Purchase Agreement, the completion of transaction is subject to the satisfaction or waiver (where applicable) of a number of conditions and, accordingly, may or may not proceed. The transaction is not yet completed up to the date of this report.

Details are set out in the announcements of the Company dated 16 December 2020 and 25 March 2021 and circular of the Company dated 25 February 2021.

### **CONVERTIBLE SECURITIES, WARRANTS, OPTIONS OR SIMILAR RIGHTS**

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

### **DIRECTORS' INTERESTS IN A COMPETING BUSINESS**

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

### **SUFFICIENCY OF PUBLIC FLOAT**

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

### **CORPORATE GOVERNANCE**

The Board is committed to achieving a high standard of corporate governance practices. A report on the corporate governance practices of the Company is set out on pages 37 to 49 of this annual report.

### **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Board has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the Directors. Having made specific enquiry with all the Company's Directors, the Company has ascertained that all of its Directors have complied with the required standards set out in the Model Code throughout the year ended 31 December 2020.

## SPECIFIC PERFORMANCE OBLIGATIONS ON CONTROLLING SHAREHOLDER OF THE COMPANY

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

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

Details are set out in the announcement of the Company dated 16 July 2019.

## REVIEW BY THE AUDIT COMMITTEE

The Audit Committee has reviewed with the auditor of the Company the consolidated financial statements for the year ended 31 December 2020 and has also discussed auditing, internal control and financial reporting matters including the review of the accounting practices and principles adopted by the Group.

## AUDITOR

The financial statements for the year ended 31 December 2020 have been audited by BDO Limited.

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

ON BEHALF OF THE BOARD

**Hon Kwok Lung**

*Chairman*

Hong Kong, 30 March 2021



# Audit Committee Report

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

The Audit Committee currently comprises following members:

## Independent Non-executive Directors

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

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

## AUTHORITY AND DUTIES

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

## Work Done in 2020

During 2020, two meetings were held and the individual attendance of each member is set out below:

| Members   | Attendance/<br>Number of<br>Meetings Held |
|---|---|
| Fung Tze Wa ( <i>Committee Chairman</i> )*            | 1/2                                       |
| Kam, Eddie Shing Cheuk ( <i>Committee Chairman</i> )# | 0/0                                       |
| Kwong Chun Wai, Michael                               | 2/2                                       |
| Zhang Bin   | 2/2                                       |
| Rudolf Heinrich Escher*                               | 1/2                                       |
| Li Ziqing#  | 0/0                                       |

\* resigned on 1 September 2020

# appointed on 6 November 2020

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

During the year under review, the Audit Committee met with the Company's external auditor, the Board and senior management. The Audit Committee reviewed the financial statements (including interim and annual results) and other information to shareholders, the accounting system, the system and procedures of internal controls, works done by internal audit, independency of the external auditor, effectiveness and objectivity of the audit process and performed other duties set out in the terms of reference. They assisted the Board in reviewing and ensuring the adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting and financial reporting functions of the Group and internal audit, company secretarial and corporate governance functions of the Company. The Audit Committee also reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the consolidated financial statements for the six months ended 30 June 2020 and the year ended 31 December 2020, and policies of internal controls on connected transactions.

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





# Nomination Committee Report

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

The Nomination Committee currently comprises following members:

## Executive Directors

Hon Kwok Lung (*Committee Chairman*)  
Shang Jianguang

## Independent Non-executive Directors

Kwong Chun Wai, Michael  
Zhang Bin  
Kam, Eddie Shing Cheuk  
Li Ziqing

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

## AUTHORITY AND DUTIES

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

## Work Done in 2020

During 2020, one meeting was held and the individual attendance of each member is set out below:

| Members                                     | Attendance/<br>Number of<br>Meeting Held |
|---|--|
| Hon Kwok Lung ( <i>Committee Chairman</i> ) | 1/1                                      |
| Shang Jianguang                             | 1/1                                      |
| Fung Tze Wa*                                | 1/1                                      |
| Kwong Chun Wai, Michael                     | 1/1                                      |
| Zhang Bin                                   | 1/1                                      |
| Rudolf Heinrich Escher*                     | 1/1                                      |
| Kam, Eddie Shing Cheuk#                     | 0/0                                      |
| Li Ziqing#                                  | 0/0                                      |

\* resigned on 1 September 2020

# appointed on 6 November 2020

During the year, the work of the Nomination Committee included consideration of: review structure, composition and diversity of the Board, including the appropriate balance of skills, knowledge and experience; assessment of independence of independent non-executive directors of the Company; review of the retirement of directors by rotation at 2020 Annual General Meeting; and recommendation to the Board of suitable candidates for appointment to the Board to fill in vacancies.

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

| Nomination Policy          |   |
|----------------------------|---|
| <b>Purpose</b>             | The Nomination Policy aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business.   |
| <b>Nomination Criteria</b> | <ul style="list-style-type: none"> <li>– In assessing, selecting and recommending candidates for directorship to the Board, the Nomination Committee will give due consideration to the factors including but not limited to (collectively, the "Factors"):</li> <li>(a) reputation for character and integrity;</li> <li>(b) accomplishment and experience in the relevant industries in which the Company's business is involved and other professional qualifications;</li> <li>(c) number of directorship the candidate holds in listed companies, commitment in respect of available time and relevant interest;</li> <li>(d) diversity in all aspects including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills, knowledge and length of service;</li> <li>(e) contribution that the candidates can potentially bring to the Board;</li> <li>(f) whether cross-directorship or significant links with other Directors through involvements in other companies or bodies exists, and</li> <li>(g) plans in place for the orderly succession of the Board.</li> </ul> |

# Nomination Committee Report

## Nomination Policy

### Nomination Criteria

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

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

### Nomination Procedures

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

## Nomination Policy

### Nomination Procedures

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

### Review

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



# Nomination Committee Report

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

| Board Diversity Policy       |  |
|------------------------------|--|
| <b>Vision</b>                | The Company recognises and embraces the benefits of diversity of Board members to enhance the quality of its performance. The Company upholds that a high performing board is one that composes directors with the combination of competencies and diversity of perspectives aligning with the Company's strategy and objectives, and which is in the best position to deal with the key issues that the Company faces.  |
| <b>Policy Statement</b>      | With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, independence from or relationship with other members of the Board, experience (professional or otherwise), skills, knowledge and length of service. All board appointments will be made on a merit basis but the Company will ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business. |
| <b>Measurable Objectives</b> | Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, independence from or relationship with other members of the Board, experience (professional or otherwise), skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition (including gender, ethnicity, age, length of service) will be disclosed in the corporate governance report annually.  |
| <b>Review</b>                | The Nomination Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.  |

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

The Company notes increasing diversity at the board level as an essential element in supporting the attainment of its strategic objective and its sustainable development. The Nomination Committee recommended to the Board on the appointment of Mr. Kam, Eddie Shing Cheuk and Mr. Li Ziqing as independent non-executive directors of the Company during the year to fill vacancies caused by resignations due to other business engagements. Mr. Kam, Eddie Shing Cheuk has over 24 years of experience in auditing, professional accounting and worked for several Hong Kong listed companies of various industries and served senior roles in financial management and secretarial functions. He is currently independent non-executive director of several Hong Kong listed companies. His experience and knowledge in various professions would certainly help the Board in terms of, among others, chairing the Audit Committee and giving opinions from a younger perspective.

Mr. Li Ziqing is a senior economist. He served as a cadre of the Foreign Exchange Division and Deputy Director of the Information Department of the State Administration of Foreign Exchange of the People's Republic of China and as the Vice President and Party Committee Member of China Everbright Bank. His extensive experience in the banking industry is in line with the banking and financial businesses of the Company, in which the Company is increasing focused. It is believed that two new independent non-executive directors can make positive contribution to the development of the Company's strategies and policies through independent and constructive comments.



# Risk Management Committee Report

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

## Executive Directors

Sit Lai Hei (*Committee Chairman*)

Shi Tao

Lam Toi Man

Bi Bo

## AUTHORITY AND DUTIES

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

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

## Work Done in 2020

During 2020, two meetings were held and the individual attendance of each member is set out below:

| Members                                   | Attendance/<br>Number of<br>Meetings Held |
|---|---|
| Sit Lai Hei ( <i>Committee Chairman</i> ) | 2/2                                       |
| Shi Tao                                   | 2/2                                       |
| Lam Toi Man                               | 2/2                                       |
| Bi Bo                                     | 2/2                                       |

## Risk Assessment

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

## Principal Risks and Uncertainties

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

| Economy risk    |   |
|-----------------|---|
| Key Challenges  | <ul style="list-style-type: none"> <li>Numerous challenges for both macro-economic outlook and market conditions, domestically or globally may result in a decrease in consumer spending in watches and may lead to a material adverse effect upon the Group's business and results of operations</li> </ul>  |
| Key Controls    | <ul style="list-style-type: none"> <li>Redefine the strategic mix to deal with the ever-changing economy</li> <li>Closely monitor the impact of the recent economic trend</li> <li>Explore different revenue streams and value-added services for our customers</li> </ul>  |
| Industry risk   |   |
| Key Challenges  | <p><u>For the watch industry</u></p> <ul style="list-style-type: none"> <li>Rapid changing market trends and competition amongst different players domestically or globally</li> <li>Highly competitive market, and the pricing of and demand for our watches are greatly affected by the intensity of competition</li> <li>Strong competitive edge in terms of financial positions, technology, design, customer relationship of our competitors</li> </ul> <p><u>For the financial industry</u></p> <ul style="list-style-type: none"> <li>Intense competition</li> </ul> |
| Key Controls    | <p><u>For the watch industry</u></p> <ul style="list-style-type: none"> <li>Strengthen our products, distributions and our marketing as a whole</li> </ul> <p><u>For the financial industry</u></p> <ul style="list-style-type: none"> <li>Maintain a strong team of compliance, risk management and internal audit so that it can remain a secure and sustainable institution</li> </ul>   |
| E-commerce risk |   |
| Key Challenges  | <ul style="list-style-type: none"> <li>Reshape the traditional distribution model of the segment of watches and timepieces</li> </ul>   |
| Key Controls    | <ul style="list-style-type: none"> <li>Invests providently to maintain its competitive competence across all e-commerce platforms</li> <li>Invests in e-commerce and new marketing approaches, such as social media and mobile marketing in the foreseeable future</li> </ul>   |



# Risk Management Committee Report

| Interest rate risk                |   |
|-----------------------------------|---|
| Key Challenges                    | <ul style="list-style-type: none"> <li>Fluctuate of the fair value or cash flows of a financial instrument due to changes in market interest rates</li> <li>Manage by taking into account market conditions and controlled at a reasonable level</li> </ul>   |
| Key Controls                      | <ul style="list-style-type: none"> <li>Keep monitoring the trend of interest rate of the global capital markets and adjust the mix of fixed-rate interest-bearing loans accordingly</li> <li>Optimize the maturity structure of deposits and take the initiative to manage sensitive gaps in interest rates for the overall objective of achieving steady growth both in net interest income and economic value within a tolerable level of interest rate risk</li> </ul> |
| Exchange rate risk                |   |
| Key Challenges                    | <ul style="list-style-type: none"> <li>Sales are dominated in Renminbi and some of our purchases are made in other currencies such as Swiss Francs</li> <li>Fluctuate in exchange rates of foreign currencies may affect our customers' purchasing power and their wiliness to purchase watches</li> <li>Affects the fair value of future cash flows of a financial instrument</li> </ul>   |
| Key Controls                      | <ul style="list-style-type: none"> <li>Monitors the foreign exchange exposure continuously</li> </ul>   |
| Legal risk                        |   |
| Key Challenges                    | <ul style="list-style-type: none"> <li>Failure to comply with these laws and regulations may result in imposition of conditions on or the suspension of sales or seizure of products, or significant penalties or claims. In the event that the countries in which we operate increase the stringency of such laws and regulations, our operating costs may increase and we may not be able to pass these additional costs onto our customer</li> </ul>                   |
| Key Controls                      | <ul style="list-style-type: none"> <li>Reviews the Group's compliance with applicable legal and regulatory requirements including the internal rules and directives, the Stock Exchange Code, the Listing Rules, the Companies Ordinance and the Securities and Futures Ordinance during the process of reviewing the financial statements</li> <li>Engage external legal advisors to assist in managing the legal risks</li> </ul>                                       |
| Intellectual property rights risk |   |
| Key Challenges                    | <ul style="list-style-type: none"> <li>Insufficient protection with various government authorities of the different jurisdictions in which we conduct business</li> </ul>   |
| Key Controls                      | <ul style="list-style-type: none"> <li>Dedicate to work with professionals to protect our intellectual property rights all over the world</li> </ul>  |
| Operational risk                  |   |
| Key Challenges                    | <ul style="list-style-type: none"> <li>Potential of loss resulting from impact of external events and/or inadequacies in the areas of internal processes, manpower and systems</li> </ul>   |
| Key Controls                      | <ul style="list-style-type: none"> <li>Achieve "industrial strength" process and standards for all activities, and benchmark practices against peers, other industries and regulatory requirements</li> <li>Manage by means of internal control procedures and directives</li> </ul>  |

| Credit risk       |  |
|-------------------|--|
| Key Challenges    | <p><u>For the non-banking and financial businesses</u></p> <ul style="list-style-type: none"> <li>• Large proportion of customers' credit terms are mainly on credit and the credit period is generally for a period of one to six months for major customers</li> <li>• Affect the account receivable by the general economic conditions in the geographies in which the Group operates</li> </ul> <p><u>For the banking business</u></p> <ul style="list-style-type: none"> <li>• Determines based on the combination of the internal and external credit rating, the average debt recovery, peer review information and comparison with publically available date</li> <li>• Subject to concentration risk</li> </ul>   |
| Key Controls      | <p><u>For the non-banking and financial businesses</u></p> <ul style="list-style-type: none"> <li>• Trades only with recognized and creditworthy parties in order to minimize the credit risk</li> <li>• Set limits on the exposure to any counterparty and credit risk</li> <li>• Follow up the delinquent account receivable based on established internal system</li> </ul> <p><u>For the banking business</u></p> <ul style="list-style-type: none"> <li>• Grants collateralized loans generally</li> <li>• Approves and monitors the loans by the relevant managers, the credit committee and ultimately the board of the directors of Bendura Bank</li> <li>• Implements a framework to provide a holistic view of the credit risks, which assess credit risks against key criteria</li> <li>• Employs the standardized processes to oversee compliance with the risk requirements</li> <li>• Monitor the financial position of the borrowers regularly</li> </ul> |
| Equity price risk |  |
| Key Challenges    | <ul style="list-style-type: none"> <li>• Fluctuate of the fair values or future cash flows of a financial instrument due to the changes in its market price, other than those unlisted equity investments held for strategic purposes and those valued at quoted market prices at the end of reporting period</li> </ul>   |
| Key Controls      | <ul style="list-style-type: none"> <li>• Monitor the price fluctuation of the listed equity instruments</li> <li>• Establish appropriate exit strategies</li> </ul>  |
| Liquidity risk    |  |
| Key Challenges    | <ul style="list-style-type: none"> <li>• Insufficient financial resources available to meet our obligation as they fall due, or we only access these financial resources at excessive cost</li> <li>• Entered into a Facility Agreement (US\$150,000,000) for 3 years with Hang Seng Bank Limited for re-financing purpose</li> </ul>  |
| Key Controls      | <ul style="list-style-type: none"> <li>• Maintain adequate liquidity at all times in all geographical locations and for all currencies, and hence to be in a position to meet obligations as they fall due</li> <li>• Analyze Liquid assets, liquidity coverage ratio and leverage ratio against the regulatory requirements and present to the Board and senior management on a regularly basis</li> <li>• Projects cash flows in major currencies and consider the level of group's liquidity management policy</li> </ul>   |

# Risk Management Committee Report

## Inventory risk

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

## Concentration risk

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

## Epidemic risk

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

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告



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

(incorporated in Cayman Islands with limited liability)

#### 致冠城鐘錶珠寶集團有限公司股東

(於開曼群島註冊成立之有限公司)

### OPINION

We have audited the consolidated financial statements of Citychamp Watch & Jewellery Group Limited (the "Company") and its subsidiaries (together "the Group") set out on pages 149 to 334, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

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

### KEY AUDIT MATTERS

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

### 意見

本核數師(以下簡稱「我們」)已審計載於第149至334頁冠城鐘錶珠寶集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表,此等綜合財務報表包括於二零二零年十二月三十一日之綜合財務狀況表,以及截至該日止年度之綜合全面收入表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註(包括主要會計政策概要)。

我們認為,該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則真實而公平地反映 貴集團於二零二零年十二月三十一日之綜合財務狀況以及 貴集團截至該日止年度之綜合財務表現及綜合現金流量,並已遵守香港公司條例之披露規定妥為編製。

### 意見基礎

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

### 關鍵審計事項

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



### Impairment assessment on goodwill and intangible assets

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

As at 31 December 2020, the Group had goodwill and intangible assets with carrying amounts of HK\$1,144,071,000 and HK\$54,415,000 respectively arising from the acquisitions of bank, financial and watch businesses.

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

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

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

### Our response

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

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

### 商譽及無形資產之減值評估

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

於二零二零年十二月三十一日，貴集團擁有賬面值分別為1,144,071,000港元及54,415,000港元之商譽及無形資產，乃由於收購銀行、金融及鐘錶業務所致。

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

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

管理層總結，根據減值評估，於本年度並無確認減值虧損。

### 我們的回應

我們關於管理層就商譽及無形資產之減值評估程序包括以下方面：

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

## OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

## DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

## 年報之其他資料

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

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

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

## 董事就綜合財務報表須承擔之責任

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

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

董事負責監督 貴集團財務報告過程，並在審核委員會協助下履行彼等之責任。

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

## 核數師就審計綜合財務報表承擔之責任

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

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

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

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

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

#### **BDO Limited**

*Certified Public Accountants*

#### **Lui Chi Kin**

Practising Certificate Number P06162  
Hong Kong, 30 March 2021

- 評估綜合財務報表(包括披露)之整體列報、架構及內容，以及綜合財務報表是否已中肯反映相關交易及事件。

- 就 貴集團內實體或業務活動之財務資料獲得充足及適當之審計憑證，以就綜合財務報表發表意見。我們負責指導、監督及執行集團審計。我們為我們之審計意見承擔全部責任。

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

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

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

**香港立信德豪會計師事務所有限公司**  
執業會計師

#### **呂智健**

執業證書號碼 P06162  
香港，二零二一年三月三十日



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### 綜合全面收入表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

|   |                        | Notes<br>附註 | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|------------------------|-------------|----------------------------------|----------------------------------|
| Interest income from banking business                               | 銀行業務之利息收入              |             | 156,731                          | 220,821                          |
| Interest expenses from banking business                             | 銀行業務之利息開支              |             | (28,703)                         | (37,359)                         |
| <b>Net interest income from banking business</b>                    | <b>銀行業務之利息收入淨額</b>     | 7a          | <b>128,028</b>                   | 183,462                          |
| Service fees and commission income from banking business            | 銀行業務之服務費及佣金收入          |             | 258,001                          | 280,627                          |
| Service fees and commission expenses from banking business          | 銀行業務之服務費及佣金開支          |             | (61,007)                         | (68,066)                         |
| <b>Net service fees and commission income from banking business</b> | <b>銀行業務之服務費及佣金收入淨額</b> | 7b          | <b>196,994</b>                   | 212,561                          |
| Trading income from banking business                                | 銀行業務之交易收入              | 7c          | 21,702                           | 57,230                           |
| Service fees and commission income from financial business          | 金融業務之服務費及佣金收入          | 7d          | 10,721                           | 3,195                            |
| Interest income from financial business                             | 金融業務之利息收入              | 7d          | 184                              | 165                              |
| Sales of goods from non-banking and financial businesses            | 非銀行及金融業務之貨品銷售收入        | 7e          | 1,405,812                        | 2,249,737                        |
| Rental income from non-banking and financial businesses             | 非銀行及金融業務之租金收入          | 7e          | 11,108                           | 9,915                            |
| <b>Total revenue</b>  | <b>總收入</b>             |             | <b>1,774,549</b>                 | 2,716,265                        |
| Cost of sales from non-banking and financial businesses             | 非銀行及金融業務之銷售成本          |             | (647,405)                        | (1,004,030)                      |
| Other income and other net gains or losses                          | 其他收入及其他收益或虧損淨額         | 8           | 98,333                           | 104,393                          |
| Selling and distribution expenses                                   | 銷售及分銷費用                |             | (550,428)                        | (817,889)                        |
| Administrative expenses   | 行政費用                   |             | (728,432)                        | (777,114)                        |
| Share of loss of joint ventures                                     | 應佔合營企業虧損               | 25          | (494)                            | (1,343)                          |
| Share of profit of associates                                       | 應佔聯營公司溢利               | 26          | 3,180                            | 17,675                           |
| Finance costs from non-banking business                             | 非銀行業務之財務費用             | 9           | (82,956)                         | (95,320)                         |
| <b>(Loss)/profit before income tax</b>                              | <b>除所得稅前(虧損)/溢利</b>    | 10          | <b>(133,653)</b>                 | 142,637                          |
| Income tax expense  | 所得稅開支                  | 11          | (25,176)                         | (71,456)                         |
| <b>(Loss)/profit for the year</b>                                   | <b>本年度(虧損)/溢利</b>      |             | <b>(158,829)</b>                 | 71,181                           |

|   |                          | Notes<br>附註 | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|--------------------------|-------------|----------------------------------|----------------------------------|
| <b>Other comprehensive income</b>   | <b>其他全面收入</b>            |             |                                  |                                  |
| Item that will not be subsequently reclassified to profit or loss                           | 不會於日後重新分類至溢利或虧損之項目       |             |                                  |                                  |
| – Remeasurement of net defined benefit obligations  | – 重新計量定額福利責任淨額           | 15.2        | 3,646                            | 2,490                            |
| – Change in fair value of financial assets at fair value through other comprehensive income | – 按公平值計入其他全面收入之金融資產公平值變動 | 20          | 47,933                           | (204,233)                        |
|   |                          |             | 51,579                           | (201,743)                        |
| Items that may be subsequently reclassified to profit or loss                               | 可能於日後重新分類至溢利或虧損之項目       |             |                                  |                                  |
| – Exchange differences on translation to presentation currency                              | – 換算呈列貨幣之匯兌差額            |             | 279,862                          | (91,282)                         |
| – Share of exchange differences on translation of associates                                | – 應佔聯營公司匯兌差額             | 26          | (490)                            | (108)                            |
| – Release of exchange reserve to profit or loss upon disposal of a subsidiary               | – 於出售一間附屬公司後解除外匯儲備至溢利或虧損 |             | (405)                            | –                                |
|   |                          |             | 278,967                          | (91,390)                         |
| <b>Other comprehensive income for the year</b>  | <b>本年度其他全面收入</b>         |             | <b>330,546</b>                   | <b>(293,133)</b>                 |
| <b>Total comprehensive income for the year</b>  | <b>本年度全面收入總額</b>         |             | <b>171,717</b>                   | <b>(221,952)</b>                 |
| <b>(Loss)/profit for the year attributable to:</b>  | <b>以下人士應佔本年度(虧損)/溢利:</b> |             |                                  |                                  |
| Owners of the Company   | 本公司擁有人                   |             | (169,233)                        | 44,246                           |
| Non-controlling interests   | 非控股權益                    |             | 10,404                           | 26,935                           |
|   |                          |             | (158,829)                        | 71,181                           |

|  |                   | Notes<br>附註 | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|-------------------|-------------|----------------------------------|----------------------------------|
| <b>Total comprehensive income for the year attributable to:</b>        | 以下人士應佔本年度全面收入總額：  |             |                                  |                                  |
| Owners of the Company  | 本公司擁有人            |             | 164,456                          | (243,713)                        |
| Non-controlling interests  | 非控股權益             |             | 7,261                            | 21,761                           |
|  |                   |             | <b>171,717</b>                   | <b>(221,952)</b>                 |
| <b>(Loss)/earnings per share attributable to owners of the Company</b> | 本公司擁有人應佔每股(虧損)/盈利 | 14          |                                  |                                  |
| – Basic  | – 基本              |             | HK(3.89) cents<br>(3.89) 港仙      | HK1.02 cents<br>1.02 港仙          |
| – Diluted  | – 攤薄              |             | HK(3.89) cents<br>(3.89) 港仙      | HK1.02 cents<br>1.02 港仙          |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 綜合財務狀況表

As at 31 December 2020 於二零二零年十二月三十一日

|  |                       | Notes | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|-----------------------|-------|----------------------------------|----------------------------------|
|  |                       | 附註    |                                  |                                  |
| <b>Assets</b>  | <b>資產</b>             |       |                                  |                                  |
| Cash and deposits  | 現金及存款                 | 17    | 5,612,645                        | 4,897,246                        |
| Due from clients   | 應收客戶款項                | 18    | 2,463,225                        | 2,093,250                        |
| Due from banks   | 應收銀行款項                | 18    | 5,466,260                        | 4,901,198                        |
| Trading portfolio investments  | 交易組合投資                | 19    | 80,310                           | 227,903                          |
| Financial assets at fair value through<br>other comprehensive income | 按公平值計入其他全面<br>收入之金融資產 | 20    | 470,794                          | 422,861                          |
| Derivative financial assets  | 衍生金融資產                | 21    | 29,224                           | 10,275                           |
| Trade receivables  | 應收賬款                  | 22    | 391,747                          | 478,262                          |
| Other financial assets at amortised cost                             | 按攤銷成本列賬之<br>其他金融資產    | 23    | 1,449,886                        | 1,307,960                        |
| Inventories  | 存貨                    | 24    | 2,255,553                        | 2,257,966                        |
| Income tax recoverable   | 可收回所得稅                |       | 2,299                            | 7,706                            |
| Interests in joint ventures  | 所佔合營企業權益              | 25    | 602                              | 1,096                            |
| Interests in associates  | 所佔聯營公司權益              | 26    | 113,176                          | 115,486                          |
| Property, plant and equipment  | 物業、廠房及設備              | 27    | 1,270,726                        | 1,148,049                        |
| Investment properties  | 投資物業                  | 28    | 195,427                          | 182,186                          |
| Intangible assets  | 無形資產                  | 29    | 54,415                           | 52,089                           |
| Goodwill   | 商譽                    | 30    | 1,144,071                        | 1,065,051                        |
| Deferred tax assets  | 遞延稅項資產                | 39    | 13,961                           | 11,626                           |
| Other assets   | 其他資產                  | 31    | 370,874                          | 416,871                          |
| <b>Total assets</b>  | <b>總資產</b>            |       | <b>21,385,195</b>                | <b>19,597,081</b>                |
| <b>Liabilities</b>   | <b>負債</b>             |       |                                  |                                  |
| Due to banks   | 應付銀行款項                |       | 2,639                            | 17,968                           |
| Due to clients   | 應付客戶款項                | 32    | 13,965,477                       | 11,963,052                       |
| Derivative financial liabilities                                     | 衍生金融負債                | 21    | 31,334                           | 54,788                           |
| Trade payables   | 應付賬款                  | 33    | 360,624                          | 411,427                          |
| Contract liabilities   | 合約負債                  | 34    | 13,824                           | 18,565                           |
| Income tax payables  | 應付所得稅                 |       | 36,799                           | 55,577                           |
| Borrowings   | 借貸                    | 36    | 1,564,822                        | 1,740,362                        |
| Provisions   | 撥備                    | 37    | 368                              | -                                |
| Lease liabilities  | 租賃負債                  | 38    | 57,570                           | 83,975                           |
| Deferred tax liabilities   | 遞延稅項負債                | 39    | 55,377                           | 59,881                           |
| Due to a shareholder   | 應付一名股東之款項             | 46    | 12,000                           | 12,000                           |
| Due to directors   | 應付董事款項                | 46    | 21,233                           | 22,241                           |
| Other liabilities  | 其他負債                  | 40    | 526,901                          | 496,356                          |
| <b>Total liabilities</b>   | <b>總負債</b>            |       | <b>16,648,968</b>                | <b>14,936,192</b>                |

|   |                   | Notes<br>附註 | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|-------------------|-------------|----------------------------------|----------------------------------|
| <b>Equity</b>                                       | <b>權益</b>         |             |                                  |                                  |
| <b>Equity attributable to owners of the Company</b> | <b>本公司擁有人應佔權益</b> |             |                                  |                                  |
| Share capital                                       | 股本                | 41          | 435,189                          | 435,189                          |
| Reserves  | 儲備                | 42          | 3,983,490                        | 3,819,883                        |
|   |                   |             | <b>4,418,679</b>                 | 4,255,072                        |
| Non-controlling interests                           | 非控股權益             |             | <b>317,548</b>                   | 405,817                          |
| <b>Total equity</b>                                 | <b>權益總額</b>       |             | <b>4,736,227</b>                 | 4,660,889                        |
| <b>Total liabilities and equity</b>                 | <b>負債及權益總額</b>    |             | <b>21,385,195</b>                | 19,597,081                       |

The consolidated financial statements on pages 149 to 334 were approved and authorised for issue by the board of directors on 30 March 2021 and are signed on its behalf by:

第 149 至 334 頁之綜合財務報表於二零二一年三月三十日獲董事會批准及授權刊發，並由以下董事代表簽署：

**Hon Kwok Lung**  
韓國龍  
Director  
董事

**Shang Jianguang**  
商建光  
Director  
董事



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

|   |                            | Equity attributable of the Company<br>本公司擁有人應佔權益 |                        |                |                                    |                    |                   |   |  |                   |           |                           |              |
|---|----------------------------|--|------------------------|----------------|------------------------------------|--------------------|-------------------|---|--|-------------------|-----------|---------------------------|--------------|
|   |                            | Share capital                                    | Share premium account* | Other reserve* | Goodwill arising on consolidation* | Statutory reserve* | Exchange reserve* | Fair value through other comprehensive income reserve** | Revaluation reserve for property, plant and equipment* | Retained profits* | Total     | Non-controlling interests | Total equity |
|   |                            | 股本   | 溢價賬*                   | 其他儲備*          | 綜合賬目產生之商譽*                         | 法定儲備*              | 外匯儲備*             | 儲備*   | 重估儲備*  | 保留溢利*             | 總計        | 非控股權益                     | 權益總額         |
|   |                            | HK\$'000   | HK\$'000               | HK\$'000       | HK\$'000                           | HK\$'000           | HK\$'000          | HK\$'000  | HK\$'000   | HK\$'000          | HK\$'000  | HK\$'000                  | HK\$'000     |
|   |                            | 千港元  | 千港元                    | 千港元            | 千港元                                | 千港元                | 千港元               | 千港元   | 千港元  | 千港元               | 千港元       | 千港元                       | 千港元          |
|   |                            | (note 41)  | (note 42)              | (note 42)      | (note 42)                          | (note 42)          | (note 42)         | (note 42)   | (note 42)  | (note 42)         | (note 42) | (note 42)                 | (note 42)    |
|   |                            | (附註41)   | (附註42)                 | (附註42)         | (附註42)                             | (附註42)             | (附註42)            | (附註42)  | (附註42)   | (附註42)            | (附註42)    | (附註42)                    | (附註42)       |
| Balance at 31 December 2018 and 1 January 2019  | 於二零一八年十二月三十一日及二零一九年一月一日之結餘 | 435,189  | 682,028                | (71,705)       | (15,300)                           | 103,262            | (186,232)         | 127,184   | 34,916   | 3,330,449         | 4,439,791 | 369,700                   | 4,809,491    |
| <b>Transactions with owners</b>   | <b>與擁有人交易</b>              |  |                        |                |                                    |                    |                   |   |  |                   |           |                           |              |
| Partial disposal of subsidiaries without loss of control (note 47(b))                     | 部分出售附屬公司而不失去控制權 (附註47(b))  | -  | -                      | 63,928         | -                                  | -                  | -                 | -   | -  | -                 | 63,928    | 47,443                    | 111,371      |
| Transaction cost for the equity transactions (note 47(d))                                 | 權益交易之交易成本 (附註47(d))        | -  | -                      | (4,887)        | -                                  | -                  | -                 | -   | -  | -                 | (4,887)   | -                         | (4,887)      |
| Deemed acquisition of interest in subsidiaries (note 47(c))                               | 視為收購附屬公司權益 (附註47(c))       | -  | -                      | (47)           | -                                  | -                  | -                 | -   | -  | -                 | (47)      | (1,443)                   | (1,490)      |
| Dividends paid to non-controlling interests   | 向非控股權益派付股息                 | -  | -                      | -              | -                                  | -                  | -                 | -   | -  | -                 | -         | (31,255)                  | (31,255)     |
| Net investment from non-controlling interests   | 來自非控股權益之投資淨額               | -  | -                      | -              | -                                  | -                  | -                 | -   | -  | -                 | -         | (389)                     | (389)        |
| <b>Total transactions with owners</b>   | <b>與擁有人交易總額</b>            | -  | -                      | 58,994         | -                                  | -                  | -                 | -   | -  | -                 | 58,994    | 14,356                    | 73,350       |
| <b>Comprehensive income</b>   | <b>全面收入</b>                |  |                        |                |                                    |                    |                   |   |  |                   |           |                           |              |
| Profit for the year   | 本年度溢利                      | -  | -                      | -              | -                                  | -                  | -                 | -   | -  | 44,246            | 44,246    | 26,935                    | 71,181       |
| <b>Other comprehensive income</b>   | <b>其他全面收入</b>              |  |                        |                |                                    |                    |                   |   |  |                   |           |                           |              |
| Remeasurement of defined benefit obligations  | 重新計量定額福利責任                 | -  | -                      | -              | -                                  | -                  | -                 | -   | -  | 4,356             | 4,356     | (1,866)                   | 2,490        |
| Change in fair value of financial assets at fair value through other comprehensive income | 按公平價值計入其他全面收入之金融資產公平價值變動   | -  | -                      | -              | -                                  | -                  | -                 | (204,233)   | -  | -                 | (204,233) | -                         | (204,233)    |
| Exchange differences on translation to presentation currency                              | 換算呈列貨幣產生之匯兌差額              | -  | -                      | -              | -                                  | -                  | (87,974)          | -   | -  | -                 | (87,974)  | (3,308)                   | (91,282)     |
| Share of exchange differences on translation of associates                                | 應佔聯營公司匯兌差額                 | -  | -                      | -              | -                                  | -                  | (108)             | -   | -  | -                 | (108)     | -                         | (108)        |
| <b>Total comprehensive income for the year</b>  | <b>本年度全面收入總額</b>           | -  | -                      | -              | -                                  | -                  | (88,082)          | (204,233)   | -  | 48,602            | (243,713) | 21,761                    | (221,952)    |
| Appropriation to statutory reserve  | 轉撥至法定儲備                    | -  | -                      | -              | -                                  | 2,669              | -                 | -   | -  | (2,669)           | -         | -                         | -            |
| <b>Balance at 31 December 2019</b>  | <b>於二零一九年十二月三十一日之結餘</b>    | 435,189  | 682,028                | (12,711)       | (15,300)                           | 105,931            | (274,314)         | (77,049)  | 34,916   | 3,376,382         | 4,255,072 | 405,817                   | 4,660,889    |

|   |                            | Equity attributable of the Company<br>本公司擁有人應佔權益 |  |   |  |   |   |   |   |                          |                       |                           |                         |
|---|----------------------------|--|--|---|--|---|---|---|---|--------------------------|-----------------------|---------------------------|-------------------------|
|   |                            | Share capital                                    | Share premium account*                           | Other reserve*                                  | Goodwill arising on consolidation*                       | Statutory reserve*                              | Exchange reserve*                               | Fair value through other comprehensive income reserve*<br>按公平值計入其他全面收入儲備* | Revaluation reserve for property, plant and equipment*<br>物業、廠房及設備重估儲備* | Retained profits*        | Total                 | Non-controlling interests | Total equity            |
|   |                            | 股本<br>HK\$'000<br>千港元<br>(note 41)<br>(附註41)     | 股份溢價賬*<br>HK\$'000<br>千港元<br>(note 42)<br>(附註42) | 其他儲備*<br>HK\$'000<br>千港元<br>(note 42)<br>(附註42) | 綜合賬目<br>產生之商譽*<br>HK\$'000<br>千港元<br>(note 42)<br>(附註42) | 法定儲備*<br>HK\$'000<br>千港元<br>(note 42)<br>(附註42) | 外匯儲備*<br>HK\$'000<br>千港元<br>(note 42)<br>(附註42) | 儲備*<br>HK\$'000<br>千港元<br>(note 42)<br>(附註42)                             | 重估儲備*<br>HK\$'000<br>千港元<br>(note 42)<br>(附註42)                         | 保留溢利*<br>HK\$'000<br>千港元 | 總計<br>HK\$'000<br>千港元 | 非控股權益<br>HK\$'000<br>千港元  | 權益總額<br>HK\$'000<br>千港元 |
| Balance at 31 December 2019 and 1 January 2020  | 於二零一九年十二月三十一日及二零二零年一月一日之結餘 | 435,189  | 682,028  | (12,711)  | (15,300)   | 105,931   | (274,314)                                       | (77,049)  | 34,916  | 3,376,382                | 4,255,072             | 405,817                   | 4,660,889               |
| <b>Transactions with owners</b>   | <b>與擁有人交易</b>              |  |  |   |  |   |   |   |   |                          |                       |                           |                         |
| Deemed acquisition of interest in subsidiaries (note 47(a))                               | 視為收購附屬公司權益 (附註47(a))       | -  | -  | (849)   | -  | -   | -   | -   | -   | -                        | (849)                 | (2,130)                   | (2,979)                 |
| Dividends paid to non-controlling interests   | 向非控股權益派付股息                 | -  | -  | -   | -  | -   | -   | -   | -   | -                        | -                     | (38,762)                  | (38,762)                |
| Disposal of a subsidiary (note 12)  | 出售一間附屬公司(附註12)             | -  | -  | -   | -  | -   | -   | -   | -   | -                        | -                     | (54,638)                  | (54,638)                |
| <b>Total transactions with owners</b>   | <b>與擁有人交易總額</b>            | -  | -  | (849)   | -  | -   | -   | -   | -   | -                        | (849)                 | (95,530)                  | (96,379)                |
| <b>Comprehensive income</b>   | <b>全面收入</b>                |  |  |   |  |   |   |   |   |                          |                       |                           |                         |
| Profit for the year   | 本年度溢利                      | -  | -  | -   | -  | -   | -   | -   | -   | (169,233)                | (169,233)             | 10,404                    | (158,829)               |
| <b>Other comprehensive income</b>   | <b>其他全面收入</b>              |  |  |   |  |   |   |   |   |                          |                       |                           |                         |
| Remeasurement of defined benefit obligations  | 重新計量定額福利責任                 | -  | -  | -   | -  | -   | -   | -   | -   | 3,919                    | 3,919                 | (273)                     | 3,646                   |
| Change in fair value of financial assets at fair value through other comprehensive income | 按公平值計入其他全面收入之金融資產公平值變動     | -  | -  | -   | -  | -   | -   | 47,933  | -   | -                        | 47,933                | -                         | 47,933                  |
| Exchange differences on translation to presentation currency                              | 換算呈列貨幣產生之匯兌差額              | -  | -  | -   | -  | -   | 282,732   | -   | -   | -                        | 282,732               | (2,870)                   | 279,862                 |
| Release of exchange reserve to profit or loss upon disposal of a subsidiary               | 於出售一間附屬公司後解除外匯儲備至溢利或虧損     | -  | -  | -   | -  | -   | (405)   | -   | -   | -                        | (405)                 | -                         | (405)                   |
| Share of exchange differences on translation of associates                                | 應佔聯營公司匯兌差額                 | -  | -  | -   | -  | -   | (490)   | -   | -   | -                        | (490)                 | -                         | (490)                   |
| <b>Total comprehensive income for the year</b>  | <b>本年度全面收入總額</b>           | -  | -  | -   | -  | -   | 281,837   | 47,933  | -   | (165,314)                | 164,456               | 7,261                     | 171,717                 |
| Appropriation to statutory reserve  | 轉撥至法定儲備                    | -  | -  | -   | -  | 278   | -   | -   | -   | (278)                    | -                     | -                         | -                       |
| Balance at 31 December 2020   | 於二零二零年十二月三十一日之結餘           | 435,189  | 682,028  | (13,560)  | (15,300)   | 106,209   | 7,523   | (29,116)  | 34,916  | 3,210,790                | 4,418,679             | 317,548                   | 4,736,227               |

\* These reserve accounts comprise the consolidated reserves of HK\$3,983,490,000 (2019: HK\$3,819,883,000) in the consolidated statement of financial position.

\* 該等儲備賬包括綜合財務狀況表內之綜合儲備3,983,490,000港元(二零一九年: 3,819,883,000港元)。

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

# 按公平值計入其他全面收入儲備之全部結餘均屬非結轉部分。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

|   | Notes<br>附註             | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|-------------------------|----------------------------------|----------------------------------|
| <b>Cash flows from operating activities</b>                   | <b>經營活動產生之現金流量</b>      |                                  |                                  |
| (Loss)/profit before income tax                               | 除所得稅前(虧損)/溢利            | <b>(133,653)</b>                 | 142,637                          |
| Adjustments for:  | 經調整：                    |                                  |                                  |
| Depreciation and amortisation                                 | 折舊及攤銷                   | <b>161,873</b>                   | 174,866                          |
| Provision and impairment losses                               | 撥備及減值虧損                 | <b>49,588</b>                    | 34,829                           |
| Net surplus on revaluation of investment properties           | 投資物業重估之盈餘淨額             | <b>(9,723)</b>                   | (4,047)                          |
| Share of profit of associates                                 | 應佔聯營公司溢利                | <b>(3,180)</b>                   | (17,675)                         |
| Share of loss of joint ventures                               | 應佔合營企業虧損                | <b>494</b>                       | 1,343                            |
| Interest income from non-banking business                     | 非銀行業務之利息收入              | <b>(4,222)</b>                   | (4,257)                          |
| Finance costs from non-banking business                       | 非銀行業務之財務費用              | <b>82,956</b>                    | 95,320                           |
| Gain on disposal of property, plant and equipment             | 出售物業、廠房及設備之收益           | <b>(531)</b>                     | (159)                            |
| Gain on disposal of a subsidiary                              | 出售一間附屬公司之收益             | <b>(405)</b>                     | -                                |
| Dividend income   | 股息收入                    | <b>(10,232)</b>                  | (13,324)                         |
| Operating profit before working capital changes               | 營運資金變動前之經營溢利            | <b>132,965</b>                   | 409,533                          |
| Increase/(decrease) in due to clients                         | 應付客戶款項增加/(減少)           | <b>1,900,586</b>                 | (669,484)                        |
| Increase in due from clients                                  | 應收客戶款項增加                | <b>(310,110)</b>                 | (447,716)                        |
| (Decrease)/increase in due to banks                           | 應付銀行款項(減少)/增加           | <b>(16,785)</b>                  | 13,461                           |
| Increase in due from banks                                    | 應收銀行款項增加                | <b>(548,913)</b>                 | (1,485,374)                      |
| Decrease in trade receivables                                 | 應收賬款減少                  | <b>84,952</b>                    | 82,474                           |
| Decrease in inventories                                       | 存貨減少                    | <b>62,080</b>                    | 19,647                           |
| Decrease in cash held on behalf of clients                    | 代客戶持有之現金減少              | <b>(6,758)</b>                   | (57,295)                         |
| Decrease/(increase) in other assets                           | 其他資產減少/(增加)             | <b>48,203</b>                    | (21,671)                         |
| Increase in derivative financial assets                       | 衍生金融資產增加                | <b>(20,086)</b>                  | (2,443)                          |
| (Decrease)/increase in derivative financial liabilities       | 衍生金融負債(減少)/增加           | <b>(20,669)</b>                  | 33,922                           |
| (Decrease)/increase in trade payables                         | 應付賬款(減少)/增加             | <b>(56,754)</b>                  | 86,965                           |
| Decrease in contract liabilities                              | 合約負債減少                  | <b>(5,335)</b>                   | (12,204)                         |
| Decrease/(increase) in trading portfolio investments          | 交易組合投資減少/(增加)           | <b>103,062</b>                   | (103,411)                        |
| Increase/(decrease) in other liabilities                      | 其他負債增加/(減少)             | <b>18,231</b>                    | (52,626)                         |
| Cash generated from/(used in) operations                      | 經營業務產生/(所用)之現金          | <b>1,364,669</b>                 | (2,206,222)                      |
| Income tax paid   | 已付所得稅                   | <b>(55,063)</b>                  | (82,739)                         |
| <b>Net cash generated from/(used in) operating activities</b> | <b>經營業務產生/(所用)之現金淨額</b> | <b>1,309,606</b>                 | (2,288,961)                      |

|  | Notes<br>附註          | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|----------------------|----------------------------------|----------------------------------|
| <b>Cash flows from investing activities</b>                            | <b>投資活動產生之現金流量</b>   |                                  |                                  |
| Proceeds from disposal of property, plant and equipment                | 出售物業、廠房及設備所得款項       | 3,014                            | 20,112                           |
| Dividends received   | 已收股息                 | 10,232                           | 13,324                           |
| Increase in other financial assets at amortised cost                   | 按攤銷成本列賬之其他金融資產增加     | (154,668)                        | (256,159)                        |
| Purchase of property, plant and equipment                              | 購買物業、廠房及設備           | (186,069)                        | (144,993)                        |
| Decrease/(increase) in pledged bank deposits                           | 已質押銀行存款減少/(增加)       | 111,763                          | (111,763)                        |
| Increase in restricted bank deposits                                   | 受限制銀行存款增加            | -                                | (1,260)                          |
| Interest received from non-banking business                            | 非銀行業務之已收利息           | 4,222                            | 4,257                            |
| Net cash outflow from disposal of a subsidiary                         | 出售一間附屬公司現金流出淨額       | (10,198)                         | -                                |
|  | 12                   |                                  |                                  |
| <b>Net cash used in investing activities</b>                           | <b>投資活動所用之現金淨額</b>   | <b>(221,704)</b>                 | <b>(476,482)</b>                 |
| <b>Cash flows from financing activities</b>                            | <b>融資活動產生之現金流量</b>   |                                  |                                  |
| Acquisition of non-controlling interests                               | 收購非控股權益              | 47(a), (c)                       | (2,979)                          |
| Proceeds from partial disposal of subsidiaries without loss of control | 部分出售附屬公司而不失去控制權之所得款項 | 47(b)                            | -                                |
| Transaction cost for equity transaction                                | 權益交易的交易成本            | 47(d)                            | -                                |
| Interest paid  | 已付利息                 | (82,956)                         | (84,024)                         |
| Proceeds from borrowings   | 借貸所得款項               | 765,148                          | 1,479,128                        |
| Repayment of principal portion of the lease liabilities                | 償還租賃負債的本金部分          | (41,596)                         | (37,480)                         |
| Repayment of borrowings  | 償還借貸                 | (939,838)                        | (866,520)                        |
| Dividends paid to non-controlling interests                            | 向非控股權益派付股息           | (16,860)                         | (31,255)                         |
| Reduce in investment from non-controlling interests                    | 非控股權益投資減少            | -                                | (389)                            |
| Repayment of corporate bonds   | 償還公司債券               | -                                | (756,022)                        |
| Advances from a shareholder  | 來自一名股東之墊款            | -                                | 12,000                           |
| Repayment to a shareholder   | 償還一名股東款項             | -                                | (73,000)                         |
| Advanced from directors  | 來自董事之墊款              | 3,992                            | 22,000                           |
| Repayment to directors   | 償還董事款項               | (5,000)                          | -                                |
| <b>Net cash used in financing activities</b>                           | <b>融資活動所用之現金淨額</b>   | <b>(320,089)</b>                 | <b>(230,568)</b>                 |

|  |                   | Notes<br>附註 | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|-------------------|-------------|----------------------------------|----------------------------------|
| Net increase/(decrease) in cash and cash equivalents | 現金及現金等價物增加／(減少)淨額 |             | 767,813                          | (2,996,011)                      |
| Cash and cash equivalents at 1 January               | 於一月一日之現金及現金等價物    |             | 4,631,702                        | 7,639,989                        |
| Effect of foreign exchange rate changes, net         | 匯率變動影響淨額          |             | 48,080                           | (12,276)                         |
| Cash and cash equivalents at 31 December             | 於十二月三十一日之現金及現金等價物 |             | 5,447,595                        | 4,631,702                        |
| Analysis of balances of cash and cash equivalents    | 現金及現金等價物結餘分析      |             |                                  |                                  |
| Cash and deposits                                    | 現金及存款             | 17          | 5,500,306                        | 4,679,996                        |
| Bank overdraft                                       | 銀行透支              | 36          | (52,711)                         | (48,294)                         |
|  |                   |             | 5,447,595                        | 4,631,702                        |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2020 截至二零二零年十二月三十一日止年度

#### 1. GENERAL INFORMATION

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

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

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

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

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

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

##### (a) Adoption of new or revised HKFRSs – effective 1 January 2020

In the current year, the Group has applied for the first time the following new or revised standards, amendments and interpretations (the “new or revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are relevant to and effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2020:

|  |                                |
|--|--------------------------------|
| Amendments to HKFRS 3                      | Definition of a Business       |
| Amendments to HKAS 1 and HKAS 8            | Definition of Material         |
| Amendments to HKAS 39, HKFRS 7 and HKFRS 9 | Interest Rate Benchmark Reform |

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

#### 1. 一般資料

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

年內，本公司及其附屬公司(統稱「本集團」)之主要業務包括：

- 鐘錶及時計產品製造及分銷；
- 物業投資；及
- 銀行及金融業務。

年內本集團的營運並無其他重大變動。

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

#### 2. 採納香港財務報告準則(「香港財務報告準則」)

##### (a) 採納新訂或經修訂香港財務報告準則—於二零二零年一月一日生效

於本年度，本集團首次應用以下由香港會計師公會(「香港會計師公會」)頒佈之新訂或經修訂準則、修訂及詮釋(「新訂或經修訂香港財務報告準則」)，該等準則與本集團於二零二零年一月一日開始之年度期間綜合財務報表相關及有效：

|                                       |        |
|---------------------------------------|--------|
| 香港財務報告準則第3號之修訂                        | 業務之定義  |
| 香港會計準則第1號及香港會計準則第8號之修訂                | 重大之定義  |
| 香港會計準則第39號、香港財務報告準則第7號及香港財務報告準則第9號之修訂 | 利率基準改革 |

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

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

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

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

|   |   |
|---|---|
| Amendments to HKAS 1  | Classification of Liabilities as Current or Non-current and Hong Kong Interpretation 5 (2020), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>5</sup> |
| Amendments to HKAS 16   | Proceeds before Intended Use <sup>3</sup>   |
| Amendments to HKAS 37   | Onerous Contracts – Cost of Fulfilling a Contract <sup>3</sup>  |
| HKFRS 17  | Insurance Contracts <sup>5</sup>  |
| Amendments to HKFRS 3   | Reference to the Conceptual Framework <sup>4</sup>  |
| Amendments to HKFRS 10 and HKAS 28                            | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>6</sup>  |
| Amendment to HKFRS 16   | Covid-19-Related Rent Concessions <sup>1</sup>  |
| Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 | Interest Rate Benchmark Reform – Phase 2 <sup>2</sup>   |
| Amendments to HKFRS Standards                                 | Annual Improvements to HKFRSs 2018–2020 <sup>3</sup>  |

<sup>1</sup> Effective for annual periods beginning on or after 1 June 2020

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>4</sup> Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>6</sup> The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined

## 2. 採納香港財務報告準則（「香港財務報告準則」）（續）

### (b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則

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

|  |   |
|--|---|
| 香港會計準則第1號之修訂   | 負債的流動或非流動分類及香港詮釋第5(2020)號財務報表的呈列—借款人對含有按要求償還條款的定期貸款的分類 <sup>5</sup> |
| 香港會計準則第16號之修訂  | 作擬定用途前的所得款項 <sup>3</sup>  |
| 香港會計準則第37號之修訂  | 虧損合約—履行合約的成本 <sup>3</sup>   |
| 香港財務報告準則第17號   | 保險合約 <sup>5</sup>   |
| 香港財務報告準則第3號之修訂   | 對概念架構的提述 <sup>4</sup>   |
| 香港財務報告準則第10號及香港會計準則第28號之修訂                                     | 投資者與其聯營公司或合營企業之間的資產出售或注資 <sup>6</sup>                               |
| 香港財務報告準則第16號之修訂  | 新冠病毒疫情相關租金寬減 <sup>1</sup>   |
| 香港會計準則第39號、香港財務報告準則第4號、香港財務報告準則第7號、香港財務報告準則第9號及香港財務報告準則第16號之修訂 | 利率基準改革—第2期 <sup>2</sup>   |
| 香港財務報告準則之修訂  | 二零一八年至二零二零年香港財務報告準則的年度改進 <sup>3</sup>                               |

<sup>1</sup> 於二零二零年六月一日或之後開始的年度期間生效

<sup>2</sup> 於二零二一年一月一日或之後開始的年度期間生效

<sup>3</sup> 於二零二二年一月一日或之後開始的年度期間生效

<sup>4</sup> 適用於收購日期為二零二二年一月一日或之後開始的首個年度期間開始之日或之後的業務合併

<sup>5</sup> 於二零二三年一月一日或之後開始的年度期間生效

<sup>6</sup> 該等修訂將適用於在待釐定日期當日或之後開始的年度期間所發生的資產出售或出資

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

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

#### Amendments to HKAS 1 – Classification of Liabilities as Current or Non-current and Hong Kong Interpretation 5 (2020), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

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

#### Amendments to HKAS 16 – Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items, and the cost of producing those items, is recognised in profit or loss.

#### Amendments to HKAS 37 – Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour and materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

## 2. 採納香港財務報告準則（「香港財務報告準則」）（續）

### (b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則（續）

#### 香港會計準則第1號之修訂－負債的流動或非流動分類及香港詮釋第5（2020）號財務報表的呈列－借款人對包含按要求還款條款的定期貸款的分類

該等修訂闡明，將負債分類為流動或非流動乃基於報告期末存在的權利，並訂明，分類不受有關實體是否會行使其延遲清償負債的權利的預期影響，並解釋倘在報告期末遵守契諾，則權利即告存在。該等修訂亦引入「結算」的定義，以明確結算是指將現金、股權工具、其他資產或服務轉讓予合約對方。

#### 香港會計準則第16號之修訂－作擬定用途前的所得款項

該等修訂禁止從物業、廠房及設備項目成本中扣除出售任何使資產達到管理層擬定的營運方式所需的地點及狀況時產生的項目的所得款項。相反，出售該等項目的所得款項及生產該等項目的成本則於損益中確認。

#### 會計準則第37號之修訂－虧損合約－履行合約的成本

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

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

### (b) New or revised HKFRSs that have been issued but are not yet effective (Continued) HKFRS 17 – Insurance Contracts

The new standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes HKFRS 4, Insurance Contracts. The standard outlines a ‘General Model’, which is modified for insurance contracts with direct participation features, described as the ‘Variable Fee Approach’. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach.

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

The amendments update HKFRS 3 so that it refers to the revised Conceptual Framework for Financial Reporting 2018 instead of the version issued in 2010. The amendments add to HKFRS 3 a requirement that, for obligations within the scope of HKAS 37, an acquirer applies HKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of HK(IFRIC)-Int 21 Levies, the acquirer applies HK(IFRIC)-Int 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

## 2. 採納香港財務報告準則（「香港財務報告準則」）（續）

### (b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則（續） 香港財務報告準則第17號－保險合約

新訂準則確立確認、計量、呈列及披露保險合約的原則，並取代香港財務報告準則第4號保險合約。該準則概述了一個一般模型，該模型就有直接參與特徵的保險合約作出修訂，稱為可變收費方法。倘若干一般模型的標準透過使用保費分攤法計量餘下保險期而達成，一般模型可予以簡化。

#### 香港財務報告準則第3號之修訂－對概念架構的提述

該等修訂更新了香港財務報告準則第3號，使其參考經修訂二零一八年財務報告的概念框架而非二零二零年頒佈的版本。該等修訂在香港財務報告準則第3號中增添一項規定，即就香港會計準則第37號範圍內的義務而言，收購方應用香港會計準則第37號釐定於收購日期是否因過往事件而存在現有義務。對於香港（國際財務報告詮釋委員會）－詮釋第21號徵款範圍內的徵款，收購方應用香港（國際財務報告詮釋委員會）－詮釋第21號以釐定導致支付徵款責任的責任事件是否已於收購日期發生。該等修訂亦增添一項明確聲明，即收購方不會確認在業務合併中收購的或然資產。

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

### (b) New or revised HKFRSs that have been issued but are not yet effective (Continued) Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

### Amendment to HKFRS 16 – Covid-19-Related Rent Concessions

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

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

## 2. 採納香港財務報告準則（「香港財務報告準則」）（續）

### (b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則（續） 香港財務報告準則第10號及香港會計準則第28號之修訂－投資者與其聯營公司或合營企業之間的資產出售或注資

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

### 香港財務報告準則第16號之修訂－新冠病毒疫情相關租金寬免

香港財務報告準則第16號已作出修訂，通過在香港財務報告準則第16號中加入一項額外的可行權宜方法，允許實體選擇不將租金寬免按修訂入賬，為承租人就因新冠病毒疫情而產生之租金寬免入賬提供可行權宜方法。該可行權宜方法僅適用於因新冠病毒疫情而直接產生之租金寬免，而且必須符合以下所有準則：

- (a) 租賃付款之變動導致經修訂租賃代價與緊接變動前之租賃代價基本相同或更低；
- (b) 租賃付款之減少僅影響原本於二零二一年六月三十日或之前到期之付款；及
- (c) 租賃之其他條款及條件並無任何實質性變動。



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

### (b) New or revised HKFRSs that have been issued but are not yet effective (Continued) Amendment to HKFRS 16 – Covid-19-Related Rent Concessions (Continued)

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

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

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

The amendments address issues that might affect financial reporting when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the “Reform”). The amendments complement those issued in November 2019 and relate to (a) changes to contractual cash flows in which an entity will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the Reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate; (b) hedge accounting in which an entity will not have to discontinue its hedge accounting solely because it makes changes required by the Reform, if the hedge meets other hedge accounting criteria; and (c) disclosures in which an entity will be required to disclose information about new risks arising from the Reform and how it manages the transition to alternative benchmark rates.

## 2. 採納香港財務報告準則（「香港財務報告準則」）（續）

### (b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則（續） 香港財務報告準則第16號之修訂 – Covid-19相關租金寬免（續）

符合上述標準之租金寬免可按照該可行權宜方法入賬，即承租人無需評估租金寬免是否符合租賃修訂之定義。承租人應運用香港財務報告準則第16號之其他規定對租金寬免進行會計處理。

倘將租金寬免列作租賃修訂入賬，將導致本集團使用經修訂貼現率重新計量租賃負債以反映經修訂代價，而租賃負債變動之影響將錄作使用權資產。通過應用可行權宜方法，本集團無需釐定經修訂貼現率，而租賃負債變動之影響在觸發租金寬免之事件或條件發生之期間於損益中反映。

### 香港會計準則第39號、香港財務報告準則第4號、香港財務報告準則第7號、香港財務報告準則第9號及香港財務報告準則第16號之修訂 – 利率基準改革 – 第2期

該等修訂解決因利率基準改革（「改革」）而導致公司以替代基準利率取代舊利率基準時可能影響財務報告的問題。該等修訂與二零一九年十一月發佈的修訂相輔相成，涉及(a)合約現金流變動，實體無需因改革所要求的變動而終止確認或調整金融工具的賬面金額，而是更新實際利率以反映替代基準利率的變動；(b)對沖會計法，倘對沖符合其他對沖會計標準，實體無須純粹因改革所要求的變動而終止其對沖會計法；及(c)披露資料，實體須披露關於改革所帶來的新風險的資料，以及如何管理向替代基準利率的過渡。

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

### (b) New or revised HKFRSs that have been issued but are not yet effective (Continued) Amendments to HKFRS Standards – Annual Improvements to HKFRSs 2018–2020

The annual improvements amends a number of standards, including:

- HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards, which permit a subsidiary that applies paragraph D16(a) of HKFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to HKFRSs.
- HKFRS 9, Financial Instruments, which clarify the fees included in the ‘10 per cent’ test in paragraph B3.3.6 of HKFRS 9 in assessing whether to derecognise a financial liability, explaining that only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on other’s behalf are included.
- HKFRS 16, Leases, which amend Illustrative Example 13 to remove the illustration of reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- HKAS 41, Agriculture, which remove the requirement to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

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

## 2. 採納香港財務報告準則（「香港財務報告準則」）（續）

### (b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則（續） 香港財務報告準則之修訂—二零一八年至二零二零年香港財務報告準則的年度改進

年度改進對多項準則進行了修訂，包括：

- 香港財務報告準則第1號首次採納香港財務報告準則，允許應用香港財務報告準則第1號第D16(a)段的附屬公司根據母公司過渡至香港財務報告準則的日期，使用母公司報告的金額計量累計匯兌差額。
- 香港財務報告準則第9號金融工具，闡明香港財務報告準則第9號第B3.3.6段「10%」測試所包括的費用，以評估是否終止確認金融負債，並解釋僅實體與貸款人之間支付或收取的費用，包括實體或貸款人代表其他方支付或收取的費用。
- 香港財務報告準則第16號租賃，修訂第13項範例以刪除由出租人償還租賃裝修的說明，進而解決因該示例中租賃優惠的說明方式而可能產生的任何有關租賃優惠處理的潛在混淆。
- 香港會計準則第41號農業，刪除使用現值技術計量生物資產的公平值時排除稅務現金流量的規定。

本集團正在評估首次應用該等新訂或經修訂香港財務報告準則之潛在影響。

### 3. BASIS OF PREPARATION

#### 3.1 Statement of compliance

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

#### 3.2 Historical cost convention

The consolidated financial statements have been prepared under historical cost basis except for investment properties and certain financial instruments, which are measured at fair value.

#### 3.3 Going concern basis

As at 31 December 2020, one of the financial covenants as stipulated in the relevant agreements in respect of bank borrowings with an outstanding principal of approximately HK\$784,630,000 was not satisfied. Accordingly, the aforesaid bank borrowings became immediately due and payable upon request by the lenders. HK\$52,000,000 of the abovementioned balance has been fully repaid subsequent to the reporting date and the relevant banks have granted a waiver to the Group for the remaining balance of HK\$732,630,000 in respect of the unsatisfied financial covenant before the date of approval of these consolidated financial statements.

In view of such circumstances, the directors of the Company have performed a due and careful assessment on the Group's future liquidity and financial performance, and also considered its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The directors of the Company opined that, taking into account of (i) the relevant banks have granted waivers to the Group; (ii) the available unutilised banking facilities available for providing additional working capital to the Group as and when necessary; and (iii) expected receipt of proceeds from the proposed disposal of subsidiaries subsequent to the end of the reporting period, the Group will have sufficient working capital to finance its operations and to meet its financial obligations that will be due within next twelve months from 31 December 2020. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

### 3. 編製基準

#### 3.1 合規聲明

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

#### 3.2 歷史成本法

綜合財務報表乃根據歷史成本法編製，惟投資物業及若干金融工具則按公平值計量。

#### 3.3 持續經營基準

於二零二零年十二月三十一日，未能達成有關協議當中一項財務約定事項，有關銀行借款的未償還本金約為784,630,000港元。因此，上述銀行借款即時到期並須應貸方要求償還。上述結餘52,000,000港元已於報告日期後悉數償還，有關銀行已於該等綜合財務報表獲批准刊發前就未達成財務約定的餘下結餘732,630,000港元向本集團授予豁免。

鑒於上述情況，本公司董事在評估本集團是否有足夠財務資源按持續經營基準營運時，已進行適當而認真的評估本集團的未來的流動資金及財務表現，以及考慮可動用的財務資源。考慮到(i)有關銀行已向本集團授予豁免；(ii)本集團可用而未動用的銀行借貸額度可提供額外營運資金（倘需要）；及(iii)預期將自報告期末後收取建議出售附屬公司所得款項，本公司董事認為本集團擁有充足的營運資金，可滿足自二零二零年十二月三十一日起計十二個月的經營所需並履行到期財務責任。因此，綜合財務報表已按持續經營基準編製。

### 3. BASIS OF PREPARATION (Continued)

#### 3.4 Functional and presentation currency

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

### 4. SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Business combination and basis of consolidation

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

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

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

### 3. 編製基準 (續)

#### 3.4 功能及呈列貨幣

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

### 4. 主要會計政策

#### 4.1 業務合併及綜合基準

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

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

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

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

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

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

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

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

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

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

#### 4. 主要會計政策 (續)

##### 4.1 業務合併及綜合基準 (續)

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

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

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

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

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



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

##### 4.2 Subsidiaries

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

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

##### 4.3 Structured entities

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

##### 4.4 Associates

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

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

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

#### 4. 主要會計政策 (續)

##### 4.2 附屬公司

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

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

##### 4.3 結構實體

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

##### 4.4 聯營公司

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

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

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

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.4 Associates (Continued)

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

### 4.5 Joint arrangements

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

The Group classifies its interests in joint arrangements as either:

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

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

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

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

## 4. 主要會計政策 (續)

### 4.4 聯營公司 (續)

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

### 4.5 合營安排

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

本集團將其於合營安排之權益分類為：

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

評估於合營安排之權益之分類時，本集團會考慮：

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

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

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

##### 4.6 Goodwill

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

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

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

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

#### 4. 主要會計政策 (續)

##### 4.6 商譽

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

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

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

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

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

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

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

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

Value-in-use is based on the estimated future cash flows expected to be derived from the asset or cash generating unit (note 4.6), discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

#### 4. 主要會計政策(續)

##### 4.7 非金融資產減值

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

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

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

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

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

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

##### 4.8 Related parties

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

#### 4. 主要會計政策 (續)

##### 4.8 關連人士

- (a) 倘屬以下人士，即該人士或該人士之近親與本集團有關連：
- (i) 控制或共同控制本集團；
  - (ii) 對本集團有重大影響力；或
  - (iii) 為本集團或本公司母公司之主要管理層成員。
- (b) 倘符合下列任何條件，即實體與本集團有關連：
- (i) 實體與本集團同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）。
  - (ii) 一間實體為另一實體之聯營公司或合營企業（或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業）。
  - (iii) 兩間實體均為同一第三方之合營企業。
  - (iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
  - (v) 實體為本集團或與本集團有關連之實體就僱員福利設立之離職福利計劃。
  - (vi) 實體受(a)項所識別人土控制或共同控制。



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

##### 4.8 Related parties (Continued)

(b) (Continued)

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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

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

##### 4.9 Property, plant and equipment

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

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

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

#### 4. 主要會計政策 (續)

##### 4.8 關連人士 (續)

(b) (續)

(vii) 於(a)(i)項所識別人士對實體有重大影響力或屬該實體(或該實體之母公司)主要管理層成員。

(viii) 實體或其所屬集團之任何成員公司向本集團或本集團母公司提供主要管理人員服務。

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

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

##### 4.9 物業、廠房及設備

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

資產成本包括其購買價及任何使其投入擬定用途之運作狀況及地點之直接應佔成本。

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

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

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

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

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

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

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

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

##### 4.10 Investment properties

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

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease.

#### 4. 主要會計政策 (續)

##### 4.9 物業、廠房及設備 (續)

折舊按估計可使用年期以直線法撇銷成本減估計剩餘價值計算，年率如下：

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

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

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

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

##### 4.10 投資物業

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

倘本集團以經營租約持有物業權益以賺取租金收入及／或為了資本增值，有關權益會以每項物業為基準分類及入賬為投資物業。任何分類為投資物業之有關物業權益會按以融資租賃持有者入賬。

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

##### 4.10 Investment properties (Continued)

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

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

##### 4.11 Leasing

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

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

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

#### 4. 主要會計政策 (續)

##### 4.10 投資物業 (續)

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

投資物業公平值變動或銷售產生之收益或虧損於產生期間計入溢利或虧損。

##### 4.11 租賃

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

###### 使用權資產

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

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.11 Leasing (Continued)

#### Right-of-use assets (Continued)

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

#### Lease liabilities

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

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

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

## 4. 主要會計政策 (續)

### 4.11 租賃 (續)

#### 使用權資產 (續)

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

#### 租賃負債

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

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

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

## 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 4.11 Leasing (Continued)

#### Lease liabilities (Continued)

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

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

#### Accounting as a lessor

The Group has leased out its investment properties to a number of tenants. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

## 4. 主要會計政策 (續)

### 4.11 租賃 (續)

#### 租賃負債 (續)

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

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

#### 作為出租人之會計處理方式

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



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

##### 4.11 Leasing (Continued)

###### Accounting as a lessor (Continued)

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

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

##### 4.12 Intangible assets

###### (i) Acquired intangible assets

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

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

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

Intangible assets with indefinite useful lives shall not be amortised.

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

#### 4. 主要會計政策 (續)

##### 4.11 租賃 (續)

###### 作為出租人之會計處理方式 (續)

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

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

##### 4.12 無形資產

###### (i) 已收購無形資產

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

攤銷按直線法於以下可使用年期作出撥備。攤銷費用於溢利或虧損確認。

|          |     |
|----------|-----|
| 供應商及分銷網絡 | 10年 |
| 品牌名稱     | 10年 |
| 專利權      | 10年 |

具無限可使用年期之無形資產毋須作攤銷。

具無限可使用年期之無形資產按成本減任何累計減值虧損列賬。

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

##### 4.12 Intangible assets (Continued)

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

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

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

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

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

###### (iii) Impairment

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

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

#### 4. 主要會計政策(續)

##### 4.12 無形資產(續)

###### (ii) 內部產生之無形資產(研發成本)

內部開發產品之支出如能夠證實以下各項，則可撥充資本：

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

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

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

###### (iii) 減值

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

當資產之估計可收回金額少於賬面值時，該資產之賬面值將調低至其可收回金額。

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

##### 4.12 Intangible assets (Continued)

###### (iii) Impairment (Continued)

An impairment loss is recognised as an expense immediately.

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

##### 4.13 Financial instruments

###### (i) Financial assets

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

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

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

#### 4. 主要會計政策 (續)

##### 4.12 無形資產 (續)

###### (iii) 減值 (續)

減值虧損會即時確認為開支。

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

##### 4.13 金融工具

###### (i) 金融資產

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

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

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

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

##### 4.13 Financial instruments (Continued)

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

###### Debt instruments

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

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

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

#### 4. 主要會計政策 (續)

##### 4.13 金融工具 (續)

###### (i) 金融資產 (續)

###### 債務工具

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

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

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

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

##### 4.13 Financial instruments (Continued)

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

###### Debt instruments (Continued)

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

###### Equity instruments

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

#### 4. 主要會計政策 (續)

##### 4.13 金融工具 (續)

###### (i) 金融資產 (續)

###### 債務工具 (續)

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

###### 股本工具

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



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

##### 4.13 Financial instruments (Continued)

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

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

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

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

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

#### 4. 主要會計政策 (續)

##### 4.13 金融工具 (續)

###### (ii) 金融資產減值虧損

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

預期信貸虧損為信貸虧損的概率加權估計。信貸虧損乃按根據合約應付本集團的所有合約現金流量與本集團預期收取的所有現金流量之間的差額計量。該差額其後按資產原有實際利率相近的差額貼現。

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

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

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

##### 4.13 Financial instruments (Continued)

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

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

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

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

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

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

#### 4. 主要會計政策 (續)

##### 4.13 金融工具 (續)

###### (ii) 金融資產減值虧損 (續)

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

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

本集團假設，倘逾期超過30日，金融資產之信貸風險會大幅增加。

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

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

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

##### 4.13 Financial instruments (Continued)

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

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

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

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

#### 4. 主要會計政策 (續)

##### 4.13 金融工具 (續)

###### (ii) 金融資產減值虧損 (續)

在進行此重新評估時，當(i)債務人在本集團採取回收行動如變現抵押品(如有)不可能全額支付其對本集團的信貸義務時；或(ii)該金融資產逾期90天，本集團將視為發生違約事件。本集團考慮合理且可支持的定量和定性資料，包括無需過多的成本或努力可取得之歷史經驗和前瞻性信息。在評估自初始確認後信用風險是否顯著增加時會特別考慮以下信息：

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

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

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

##### 4.13 Financial instruments (Continued)

###### (iii) Financial liabilities

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

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

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

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

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

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

#### 4. 主要會計政策 (續)

##### 4.13 金融工具 (續)

###### (iii) 金融負債

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

###### 按公平值計入溢利或虧損的金融負債

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

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

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

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

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

##### 4.13 Financial instruments (Continued)

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

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

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

###### Financial liabilities at amortised cost

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

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

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

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

###### (v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

#### 4. 主要會計政策 (續)

##### 4.13 金融工具 (續)

###### (iii) 金融負債 (續)

###### 按公平值計入溢利或虧損的金融負債 (續)

於初始確認後，按公平值計入溢利或虧損的金融負債乃按公平值計量，公平值變動於彼等產生的期間內於溢利或虧損確認，惟本集團擁有的於其他全面收入內呈報且其後不會重新分類至溢利或虧損表的信貸風險產生的收益及虧損除外。於溢利或虧損表內確認的公平值收益或虧損淨額並不包括就該等金融負債收取的任何利息。

###### 按攤銷成本列賬的金融負債

按攤銷成本列賬的金融負債（包括應付賬款、借貸及本集團發行的其他金融負債）隨後使用實際利率法按攤銷成本計量。有關利息開支於溢利或虧損內確認。

終止確認負債及於攤銷過程中產生的收益或虧損於溢利或虧損內確認。

###### (iv) 實際利率法

實際利率法是計算金融資產或金融負債的攤銷成本以及於有關期間分配利息收入或利息開支的方法。實際利率為於金融資產或負債的預計年期或適用的較短期間內準確貼現估計未來現金收入或付款的利率。

###### (v) 股本工具

本公司發行的股本工具按所得款項扣除直接發行成本記賬。



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

##### 4.13 Financial instruments (Continued)

###### (vi) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the loss allowance, being the ECL provision measured in accordance with principles of the accounting policy set out in 4.13(ii); and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the principles of HKFRS 15.

###### (vii) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

#### 4. 主要會計政策 (續)

##### 4.13 金融工具 (續)

###### (vi) 財務擔保合約

財務擔保合約乃規定發出人向持有人支付指定金額，以補償持有人由於指定欠債人未能根據債務工具原訂或經修訂條款於到期時付款而蒙受的損失。由本集團發出的並非指定為按公平值計入溢利或虧損的財務擔保合約初步按公平值減發出財務擔保合約直接產生的交易成本予以確認。初步確認後，本集團按以下各項較高者計量財務擔保合約：(i) 虧損撥備金額，即根據4.13(ii)所載會計政策原則計量的預期信貸虧損撥備；及(ii)初步確認金額減(如適當)根據香港財務報告準則第15號的原則確認的累計攤銷。

###### (vii) 終止確認

凡收取金融資產所帶來的未來現金流量的合約權利屆滿，或金融資產經已轉讓，而轉讓符合香港財務報告準則第9號規定的終止確認準則，則本集團終止確認該金融資產。

當有關合約中訂明的責任獲解除、註銷或屆滿時，則會終止確認金融負債。

倘本集團因重新磋商負債條款而向債權人發行本身之股本工具以償付全部或部分金融負債，所發行之股本工具即所付代價，乃初步按有關金融負債(或當中部分)註銷當日之公平值確認及計量。倘已發行股本工具之公平值無法可靠計量，則股本工具按已註銷金融負債之公平值計量。已註銷金融負債(或當中部分)之賬面值與所付代價間之差額乃於年內在溢利或虧損確認。

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

##### 4.13 Financial instruments (Continued)

###### (viii) Write-off policy

The gross carrying amount of a financial asset is written off either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

##### 4.14 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost is determined using weighted average basis, and in the case of work-in-progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expense and the estimated costs necessary to make the sale.

##### 4.15 Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, demand deposits with banks, and short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in values.

##### 4.16 Government grants

Government grants are recognised when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deferred and recognised in profit or loss over the useful life of the asset.

#### 4. 主要會計政策 (續)

##### 4.13 金融工具 (續)

###### (viii) 撇銷

若無實際機會收回，金融資產的賬面總額可（部分或全部）撇銷，一般是當集團確定債務人沒有資產或收益來源可產生足夠現金流清償需撇銷的金額時發生。

先前被撇銷的資產若其後收回，以減值撥備回撥列入收回資產期間的損益表。

##### 4.14 存貨

存貨初步按成本確認，其後按成本及可變現淨值兩者之較低者列賬。成本按加權平均基準釐定，在製品及製成品之成本包括直接材料、直接勞工及按適當比例計算之生產成本。可變現淨值乃按照日常業務過程中之估計售價減任何適當銷售開支及完成銷售之估計成本計算。

##### 4.15 現金及現金等價物

現金及現金等價物包括之現金及銀行結餘、活期銀行存款及原到期日為三個月或以下之短期高度流通投資，均可隨時轉換為已知數額現金且價值變動風險不大。

##### 4.16 政府補貼

政府補貼於合理確定將可收取及本集團將遵照所附有關條件時予以確認。就所產生開支向本集團補償之撥款，於開支產生之同期有系統地於溢利或虧損中確認為收入。用於抵銷本集團資產成本之補貼則予以遞延並按資產之可使用年期於溢利或虧損中確認。

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

##### 4.17 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in a business combination. They are initially measured at fair value at the date of acquisition and subsequently measured at the higher of the amount that would be recognised in a comparable provision as described above and the amount initially recognised less any accumulated amortisation, if appropriate.

##### 4.18 Income tax

Income tax comprises current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

#### 4. 主要會計政策 (續)

##### 4.17 撥備及或然負債

當本集團現時因過往事件而須承擔法定或推定責任，而結算債務可能要求流出經濟利益，於能可靠地作出估計時，撥備予以確認。倘貨幣時間價值之影響屬重大，則有關撥備將按預計結算該責任所需費用之現值列賬。

所有撥備均於各報告日進行檢討，並作出調整以反映當前最佳估計。

當流出經濟利益之可能性不大，或未能可靠估計數額，則有關責任會披露為或然負債，除非流出經濟利益之可能性甚微。純粹視乎日後有否出現一項或多項並非完全在本集團控制內之不確定事件而可能產生之責任，亦會披露為或然負債，除非流出經濟利益之可能性甚微。

或然負債於分配收購價至業務合併所購入資產及負債之過程中確認，初步按收購日期公平值計量，其後按上文所述原應於可資比較撥備確認之款額與初步確認款額減任何累計攤銷(如適用)之較高者計量。

##### 4.18 所得稅

所得稅包括即期稅項及遞延稅項。

即期稅項乃根據日常業務之溢利或虧損，就所得稅而言毋須課稅或不可扣稅之項目作出調整，並按報告期末已制定或大致上制定之稅率計算。

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

##### 4.18 Income tax (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

An exception to the general requirement on determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under HKAS 40 "Investment Property". Unless the presumption is rebutted, the deferred tax amounts on these investment properties are measured using the tax rates that would apply on sale of these investment properties at their carrying amounts at the reporting date. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

#### 4. 主要會計政策 (續)

##### 4.18 所得稅 (續)

遞延稅項乃就財務報告而言之資產與負債之賬面值與就稅務而言之相關數額之暫時差額而確認。除商譽及不影響會計或應課稅溢利之已確認資產與負債外，就所有應課稅暫時差額確認遞延稅項負債。於有可能出現可運用可扣稅之暫時差額抵銷之應課稅溢利時，遞延稅項資產方會確認。遞延稅項乃按預期適用於有關資產變現或有關負債結算之方式及於報告期末已制定或大致上制定之稅率計量。

倘投資物業根據香港會計準則第40號「投資物業」按公平值列賬，則可豁免遵守釐定用於計量遞延稅項金額之適用稅率之一般規定。除非推定被駁回，否則該等投資物業之遞延稅項金額按於報告日賬面值出售該等投資物業所適用之稅率計量。倘投資物業可予折舊，且持有該物業之業務模式目標為隨時間消耗該物業絕大部分經濟利益（而非透過銷售），則此假設可予駁回。

除非本集團可以控制暫時差額之撥回，且該撥回在可預見未來不大可能發生者外；於附屬公司及聯營公司之投資所產生有關應課稅暫時差額確認為遞延稅項負債。

所得稅於溢利或虧損確認，惟倘所得稅與於其他全面收入確認之項目有關則除外，在此情況下，所得稅亦於其他全面收入確認，或倘所得稅與直接於權益確認之項目有關，則所得稅亦直接於權益確認。

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

##### 4.18 Income tax (Continued)

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - (i) the same taxable entity; or
  - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

##### 4.19 Revenue recognition

###### (i) Revenue from contract with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

#### 4. 主要會計政策 (續)

##### 4.18 所得稅 (續)

即期稅項資產及即期稅項負債僅於以下情況按淨額呈列：

- (a) 本集團具有可合法執行權利抵銷已確認款額；及
- (b) 計劃以淨額基準結清或同時變現資產及結清負債。

本集團僅於以下情況按淨額呈列遞延稅項資產及遞延稅項負債：

- (a) 本集團具有可合法執行權利以即期稅項資產抵銷即期稅項負債；及
- (b) 遞延稅項資產及遞延稅項負債與相同稅務機關於以下情況徵收之所得稅有關：
  - (i) 相同應課稅實體；或
  - (ii) 於預期遞延稅項負債或資產重大款額結清或收回之日後每個期間，不同應課稅實體擬按淨額基準結清即期稅項負債及資產或同時變現資產及結清負債。

##### 4.19 收入確認

###### (i) 與客戶訂立合約之收入

與客戶訂立合約之收入於貨品或服務的控制權轉讓予客戶時確認，有關金額反映本集團預期就交換該等貨品或服務有權收取的代價，不包括代表第三方收取的有關金額。收益不包括增值稅或其他銷售稅並扣除任何交易折讓。



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

##### 4.19 Revenue recognition (Continued)

###### (i) Revenue from contract with customers (Continued)

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

#### 4. 主要會計政策 (續)

##### 4.19 收入確認 (續)

###### (i) 與客戶訂立合約之收入 (續)

視乎合約的條款及合約適用的法律，貨品或服務的控制權可在一段時間或某一時間點轉移。倘本集團在履約過程中符合下列條件，貨品或服務之控制權可在一段時間轉移：

- 提供客戶收到且同時消耗之所有利益；
- 本集團履約時創造及提升客戶所控制之資產；或
- 並無創造對本集團而言有其他用途之資產，而本集團有強制執行權利收取至今已完成履約部分的款項。

倘貨品或服務之控制權可在一段時間轉移，則收入乃於整個合約期間經參考完成履行履約責任之進度確認。否則，收入於客戶獲得貨品或服務控制權之某一時點確認。

於合約載有於一年以上時間向客戶轉移貨品或服務會為客戶帶來重大融資利益的融資成分時，則收益按應收款項的現值計量，使用本集團與客戶在合約訂立時於個別融資交易內反映的貼現率貼現。

倘合約載有為本集團帶來重大融資利益的融資成分，收益乃根據有關合約確認，包括實際利率法項下合約負債附有的利息開支。就付款與轉移承諾貨品或服務之間的期間為一年以內的合約而言，交易價格不會就重大融資成分的影響作出調整，使用香港財務報告準則第15號中實用的權宜之策。

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

##### 4.19 Revenue recognition (Continued)

###### (i) Revenue from contract with customers

(Continued)

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

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

###### (a) Service fees and commission income

Service fees and commission income is generally recognised when the corresponding service is provided.

Service fees and commission income are recognised at a point in time when the relevant services such as broking services, provided to the customers and there is no unfulfilling performance obligation after services rendering. Except for a few services, such as custody account services, of which revenue is recognised over time so as to depict the pattern of delivery of services.

Origination or commitment fees received/paid by the Group which result in the creation or acquisition of a financial asset are deferred and recognised as an adjustment to the effective interest rate. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised.

###### (b) Sales of goods

Revenue from sales of goods is recognised at a point in time as when the control of the goods has been transferred to the customer and there is no unfulfilling performance obligation after the acceptance of the goods.

#### 4. 主要會計政策 (續)

##### 4.19 收入確認 (續)

###### (i) 與客戶訂立合約之收入 (續)

合約資產指本集團就換取本集團已向客戶轉讓服務收取代價之權利(尚未成為無條件)。相反,應收款項指本集團收取代價之無條件權利,即只需待時間過去代價即到期應付。

合約負債指本集團因其已向客戶收取代價(或到期應收之代價)而須向客戶轉讓服務之責任。

###### (a) 服務費及佣金收入

服務費及佣金收入於提供相關服務時確認。

服務費及佣金收入於向客戶提供經紀服務等相關服務後並無尚未履行履約責任之某一時間點確認。託管賬戶服務等部分服務的收益乃隨時間確認,以描述提供服務之模式。

本集團因設立或收購金融資產已收/已付之融資或承諾費用予以遞延並確認為實際利率之調整。預期貸款承諾不會導致提取貸款時,確認貸款承諾費用。

###### (b) 貨品銷售

貨品銷售收入於貨品控制權已轉移至客戶且於貨品獲接受後並無尚未履行履約責任之某一時間點確認。

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

##### 4.19 Revenue recognition (Continued)

###### (ii) Revenue from other sources

###### (a) Interest income

Interest income arising from the use of entity assets by others is recognised in profit or loss based on the duration and the effective interest rate. Interest income includes the amortisation of any discount or premium or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity calculated on an effective interest rate basis.

The effective interest method is a method of calculating the amortised cost of financial assets and liabilities and of allocating the interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, call and similar options) but does not consider future credit losses. The calculation includes all fees and interests paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Interest on the impaired financial assets is recognised using the rate of interest used to discount future cash flows (“unwinding of discount”) for the purpose of measuring the related impairment loss.

###### (b) Rental income

Rental income under operating leases is recognised on straight-line method over the term of the relevant lease.

###### (c) Dividend income

Dividend is recognised when the right to receive the dividend is established.

#### 4. 主要會計政策 (續)

##### 4.19 收入確認 (續)

###### (ii) 其他途徑之收入

###### (a) 利息收入

其他人士使用實體資產所產生之利息收入按時間及實際利率於溢利或虧損中確認。利息收入包括任何折扣或溢價之攤銷或計息工具原賬面值與其按實際利率基準計算之到期金額間之其他差額之攤銷。

實際利率法為計算金融資產及負債之攤銷成本及於相關期間分配利息收入及利息開支之方法。實際利率為於金融工具預期年期或(倘適用)較短期間將估計未來現金付款或收入準確貼現至金融工具之賬面淨額之比率。計算實際利率時，本集團計及所有金融工具之合約條款(如認購期權及類似期權)估計現金流量，惟並無考慮未來信貸虧損。計算項目包括構成實際利率組成部分之訂約方之間所有已付或已收費用及利息、交易成本及所有其他溢價或折扣。

已減值金融資產之利息按就計量相關減值損失而對未來現金流量進行貼現(「折算貼現」)之利率確認。

###### (b) 租金收入

經營租賃之租金收入於有關租賃期間按直線法確認。

###### (c) 股息收入

股息於確立收取股息權利時確認。

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

##### 4.20 Retirement benefits

Retirement benefits to employees are provided through defined contribution plans and defined benefit pension plans.

###### (i) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

The contributions recognised in respect of defined contribution plans are expensed as they fall due. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

The Group also operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees in Hong Kong who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government (the "Scheme"). These subsidiaries are required to contribute certain percentage of its payroll costs to the central pension scheme. The Scheme is responsible for the entire pension obligations payable to the retired employees and the Group has no further obligations for the actual pension payments or other post-retirement benefits beyond the employer contributions. Contributions under the Scheme are charged to profit or loss as they become payable in accordance with the rules of the PRC.

#### 4. 主要會計政策 (續)

##### 4.20 退休福利

僱員退休福利透過定額供款計劃及定額退休金福利計劃撥備。

###### (i) 定額供款計劃

定額供款計劃是一項退休金計劃，本集團根據該計劃向一個獨立實體支付定額供款。於支付定額供款後，本集團並無法定或推定責任支付進一步供款。

就定額供款計劃確認之供款於其到期時列作開支。倘產生繳付不足或預繳即可能就此確認該負債及資產，並因其通常屬短期性質而計入流動負債或流動資產。

本集團亦為合資格參與強制性公積金退休福利計劃（「強積金計劃」）而香港僱員根據強制性公積金計劃條例設有定額供款強積金計劃。供款按僱員基本薪金一定百分比作出，於根據強積金計劃規則應付時在溢利或虧損扣除。強積金計劃資產與本集團資產分開，由獨立管理基金持有。本集團之僱主供款於向強積金計劃作出時全數歸僱員所有。

本集團於中國經營業務之附屬公司之僱員須參與有關地方市政府管理之中央退休金計劃（「該計劃」）。該等附屬公司規定須按工資成本若干百分比向中央退休金計劃供款。該計劃負責向已退休僱員支付全部退休金之責任，除僱主供款外，本集團就實際退休款項或其他退休後福利並無進一步責任。該計劃供款於根據中國規則應付時在溢利或虧損內扣除。

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

##### 4.20 Retirement benefits (Continued)

###### (ii) Defined benefit pension plans

Defined benefit pension plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the consolidated statement of financial position in respect of defined pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflow using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past service costs are recognised immediately in profit or loss.

###### (iii) Short-term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related services.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

#### 4. 主要會計政策 (續)

##### 4.20 退休福利 (續)

###### (ii) 定額退休金福利計劃

定額退休金福利計劃界定僱員於退休時將領取之退休金福利數額，數額通常視乎年齡、服務年資及薪酬等一項或多項因素而定。

於綜合財務狀況表內就定額退休金計劃確認之負債，為於報告期末之定額福利責任現值減計劃資產之公平值。定額福利責任每年由獨立精算師使用預計單位貸記法計算。定額福利責任現值按以支付福利之同一貨幣計值、且到期日與相關退休福利責任相若之優質公司債券利率貼現估計未來現金流出而釐定。在有關債券並無成熟市場之國家，則使用政府債券之市場利率。

因過往調整及精算假設變動所產生之精算收益及虧損乃於產生期間在權益之其他全面收入扣除或計入。

過往服務成本即時於溢利或虧損確認。

###### (iii) 短期僱員福利

短期僱員福利是指預計在僱員提供相關服務之年度報告期間結算日後十二個月前將全數結付之僱員福利(離職福利除外)。短期僱員福利於僱員提供相關服務之年度內確認。

病假及產假等非累積有薪假期於提取假期時方予確認。



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

##### 4.21 Share-based employee compensation

The Group operates equity-settled share-based compensation plans for remuneration of its employees.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions.

Upon exercise of share options, the amount previously recognised in share option reserve and the proceeds received net of any directly attributable transaction costs up to the nominal value of the share issued are reallocated to share capital with any excess being recorded as share premium. When the share options are lapsed, forfeited or still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

##### 4.22 Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

##### 4.23 Foreign currency

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

#### 4. 主要會計政策 (續)

##### 4.21 僱員股份補償

本集團為其僱員設立股本結算以股份為基礎之補償計劃。

就所有僱員提供服務而授出之任何股份補償按其公平值計算。該等補償乃參考獲授出認購股份權間接釐定。其價值於授出日評估，並不包括任何非市場歸屬條件之影響。

於認購股份權獲行使後，過往於認購股份權儲備確認之款額及所收取之所得款項扣除任何直接應佔交易成本(但不超過已發行股份之面值)將獲重新分配至股本，任何超出部分將記錄為股份溢價。倘認購股份權於到期日失效、被沒收或仍未行使，過往於認購股份權儲備確認之款額將轉撥至保留溢利。

##### 4.22 借貸成本

收購、建設或生產需要長時間籌備作擬定用途或銷售之合資格資產之直接應佔借貸成本，予以資本化作為該等資產成本之一部分。將有待用於該等資產之特定借貸作短期投資所賺取之收入會於已資本化之借貸成本扣除。倘將合資格資產預備作擬定用途或銷售之絕大部分活動完成時，資本化借貸成本將停止。所有其他借貸成本於產生期間於溢利或虧損確認。

##### 4.23 外幣

集團實體以彼等營運所在主要經濟環境之貨幣(「功能貨幣」)以外貨幣訂立之交易乃按於交易日期之匯率記錄。外幣貨幣資產及負債乃按報告期間結算日之匯率換算。以外幣計值按公平值列賬之非貨幣項目乃按釐定公平值日期之當前匯率重新換算。按外幣過往成本計量之非貨幣項目毋須重新換算。

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

##### 4.23 Foreign currency (Continued)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as exchange reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the exchange reserve.

#### 4. 主要會計政策(續)

##### 4.23 外幣(續)

結算貨幣項目及換算貨幣項目所產生之匯兌差額於產生期間內於溢利或虧損中確認。重新換算按公平值列賬之非貨幣項目所產生之匯兌差額計入期內溢利或虧損，惟重新換算有關收益及虧損於其他全面收入確認之非貨幣項目所產生之匯兌差額除外，在此情況下，匯兌差額亦於其他全面收入確認。

綜合賬目時，海外業務之收支項目以年內平均匯率換算為本集團之呈列貨幣(即港元)，除非期內匯率大幅波動，在此情況下，則按進行該等交易時之相若匯率換算。所有海外業務之資產及負債均以報告期間結算日之匯率換算。所產生匯兌差額(如有)於其他全面收入確認，並於權益內累計入賬為外匯儲備(非控股權益應佔外匯儲備(如適用))。於換算構成本集團於所涉海外業務部分投資淨額之長期貨幣項目時，在集團實體獨立財務報表之溢利或虧損內確認之匯兌差額則重新分類至其他全面收入，並於權益內累計入賬為外匯儲備。

出售海外業務時，與截至出售當日該業務有關之外匯儲備確認之累計匯兌差額，重新分類至溢利或虧損作為出售收益或虧損一部分。

於二零零五年一月一日或之後收購海外業務產生之所收購可識別資產之商譽及公平值調整已當作該海外業務之資產及負債，並於報告期間結算日按當前匯率進行換算。所產生之匯兌差額於外匯儲備確認。

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

##### 4.24 Share capital and share premium

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Share premium includes any premiums received on the issuance of share over the par value. Any transaction costs associated with the issuing of shares are deducted from the share premium (net of any related income tax benefit) to the extent that they are incremental costs directly attributable to the equity transaction.

Where any group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of taxes) is deducted from equity attributable to owners of the Company until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued any consideration received net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to owners of the Company.

##### 4.25 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major lines of business.

The Group has identified the following reportable segments: (a) manufacturing and distribution of watches and timepieces; (b) property investments and (c) banking and financial businesses.

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. All inter-segment transfers, if any, are carried out at arm's length prices.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs.

#### 4. 主要會計政策 (續)

##### 4.24 股本及股份溢價

普通股分類為權益。股本採用已發行股份之面值釐定。

股份溢價包括發行股本所收任何溢價減面值。任何有關發行股份之交易成本於股份溢價(扣除任何相關所得稅溢利)內扣減，惟以該權益交易直接應佔遞增成本為限。

倘任何集團公司購買本公司之權益股本，包括任何直接應佔遞增成本(扣除稅項)之已付代價於本公司擁有人應佔權益內扣除，直至股份獲註銷或重新發行為止。倘此等普通股其後重新發行，則任何已收代價(減去任何直接應佔遞增交易成本及相關所得稅影響)計入本公司擁有人應佔權益中。

##### 4.25 分類報告

本集團根據定期向執行董事呈報之內部財務資料(乃供彼等決定分配資源至本集團各業務環節及檢討該等業務環節之表現)確定其經營分類及編製分類資料。向執行董事所報告內部財務資料中之業務環節按本集團主要業務類別決定。

本集團已確定以下報告分類：(a) 鐘錶及時計產品製造及分銷；(b) 物業投資；及(c) 銀行及金融業務。

由於各產品及服務類別所需資源以及市場方針不同，各經營分類獨立管理。所有分類間轉讓(如有)乃按公平價格計算。

本集團根據香港財務報告準則第8號就報告分類業績所用計量政策與根據香港財務報告準則編製財務報表所用者相同。

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

##### 4.25 Segment reporting (Continued)

Segment assets include all assets but interests in associates, interests in joint ventures, and certain trading portfolio investments. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarter.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. These include borrowings and due to directors, a shareholder and related parties.

No asymmetrical allocations have been applied to reportable segments.

#### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### 4. 主要會計政策(續)

##### 4.25 分類報告(續)

分類資產包括所有資產，但不包括於聯營公司之權益、於合營企業之權益、若干交易組合投資。此外，並非直接計入任何經營分類業務活動之公司資產不會分配至分類，主要應用於本集團總部。

分類負債不包括並非直接計入任何經營分類業務活動之公司負債，且不會分配至分類，當中包括借貸及應付董事、一名股東及關連人士款項。

並無就可報告分類作出不均分配。

#### 5. 關鍵會計判斷及估計不確定因素之主要來源

在應用本集團之會計政策時，董事須對無法依循其他途徑即時得知的資產及負債賬面值作出判斷、估計及假設。

估計及相關假設會持續檢討。倘會計估計修訂僅影響修訂估計期間，則有關修訂於該期間確認；或倘有關修訂影響目前及未來期間，則有關修訂於修訂期間及未來期間確認。

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

The Group makes estimates and assumptions concerning the future. Such estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

### Impairment assessment of goodwill

The Group tests on an annual basis whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 4.6. The recoverable amounts of the CGUs have been determined based on value-in-use calculations or fair value less costs of disposal ("FVLCD"), whichever is higher. The value-in-use calculations require the use of judgement and estimates of the future cash flows expected to arise from the CGUs, the timeframe for the cash flows forecast and the suitable discount rates in order to calculate the present value. In the process of estimating expected future cash flows management makes assumptions about future revenues and profits. These assumptions relate to future events and circumstances. The actual results may vary and may cause a material adjustment to the carrying amount of goodwill within the next financial year. Determining the appropriate discount rate involves estimating the appropriate adjustment for market risk and for asset specific risk factors. Calculation of FVLCD may involve the selection of valuation model, adoption of key assumption, and input data, which are subject to management judgement. Details in impairment assessment are set out in note 30 to the consolidated financial statements.

### Provision for inventories

In determining the amount of allowance required for obsolete and slow-moving inventories, the Group would evaluate ageing analysis of inventories and compare the carrying value of inventories to their respective estimated net realisable value. The assessment of the provision involves management judgement and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will impact the carrying value of inventories and provision charge/write-back in the period in which such estimate has been changed.

## 5. 關鍵會計判斷及估計不確定因素之主要來源 (續)

本集團對未來作出估計及假設。該等估計及相關假設按過往經驗及其他視為相關之因素作出。顧名思義，因此而作出之會計估計甚少與有關實際結果相符。下文論述可導致下一個財政期間的資產及負債賬面值須作重大調整之主要風險估計及假設：

### 商譽減值評估

本集團每年根據附註4.6所述會計政策就商譽有否減值進行測試。現金產生單位之可收回金額按所計算之使用價值或公平值減出售成本(「公平值減出售成本」)(以較高者為準)釐定。使用價值計算須採用預期現金產生單位所產生未來現金流量之判斷及估計、現金流量預測時間表以及適合貼現率，以計算現值。於估計預期未來現金流量過程中，管理層就未來收入及溢利作出假設。該等假設與未來事件及情況有關。實際結果或會有所不同，並可能導致下個財政年度之商譽賬面值須作重大調整。釐定合適之貼現率涉及估計市場風險及資產特定風險因素之適當調整。計算公平值減出售成本可能涉及選擇估值模型、採納主要假設及輸入數據，而以上項目均需管理層作出判斷。減值評估詳情載於綜合財務報表附註30。

### 存貨撥備

於釐定陳舊及滯銷存貨之撥備金額時，本集團須評估存貨之賬齡分析並將存貨之賬面值與其各自之估計可變現淨值作比較。評估撥備涉及管理層判斷及估計。倘日後實際結果或預期有別於原定估計，則有關差別將影響存貨賬面值，而撥備會於估計有變期間扣除／撥回。



## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

### Depreciation and amortisation

The Group depreciates and amortises its property, plant and equipment and intangible assets with definite useful lives using straight-line method over their respective estimated useful lives, starting from the date on which the assets are put into productive use, in accordance with accounting policy stated in notes 4.9 and 4.12. The estimated useful lives reflect the directors' estimate of the period that the Group intends to derive future economic benefits from the use of these assets.

### Estimated impairment of trade and other receivables

The Group's management determines the provision for impairment of trade and other receivables on a forward-looking basis. The provision matrix is determined based on the Group's historical observed default rates over the expected life of the trade and other receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. Other receivables is considered 12-months expected credit losses. In making the judgement, management considers available reasonable and supportive forward-looking information such as actual or expected significant changes in the operating results of customers, actual or expected significant adverse changes in business and customers' financial position. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed by the Group's management.

### Impairment assessment of non-financial assets

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of non-financial assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. The recoverable amount is determined based on value-in-use calculation or fair value less costs of disposal ("FVLCD"). The calculations of value-in-use require the use of judgement and estimates of the future cash flows expected to arise from the CGUs, the timeframe for the cash flows forecast and the suitable discount rates in order to calculate the present value. In the process of estimating expected future cash flows management makes assumptions about future revenues and profits. These assumptions relate to future events and circumstances. The actual results may vary and may cause a material adjustment to the carrying amount of goodwill within the next financial year. Determining the appropriate discount rate involves estimating the appropriate adjustment for market risk and for asset specific risk factors. Calculation of FVLCD involves the selection of valuation model, adoption of key assumption, and input data, which are subject to management judgement.

## 5. 關鍵會計判斷及估計不確定因素之主要來源 (續)

### 折舊及攤銷

本集團根據附註4.9及4.12所述會計政策，採用直線法按估計可用年期為物業、廠房及設備以及可用年期有限之無形資產計算折舊及攤銷，自資產投入生產用途日期起計算。估計可用年期反映董事估計本集團擬自使用該等資產產生未來經濟利益之期間。

### 應收賬款及其他應收款之估計減值

本集團管理層以前瞻性方式釐定應收賬款及其他應收款減值撥備。撥備矩陣乃根據本集團於具有類似信貸風險特徵之應收賬款及其他應收款之預期年期內之歷史觀察違約率釐定，並就前瞻性估計作出調整。其他應收款被視為12個月預期信貸虧損。在作出判斷時，管理層會考慮可得之合理有據前瞻性資料，如客戶經營業績之實際或預期重大變動、業務及客戶財務狀況之實際或預期重大不利變動。於各報告日，本集團管理層會更新歷史觀察違約率，並分析前瞻性估計變動。

### 非金融資產減值評估

本集團透過評價或會導致非金融資產減值之本集團獨有情況，於各報告日評估減值。倘存在觸發減值之情況，則釐定資產可收回款額。可收回金額乃按使用價值計算或公平值減出售成本（「公平值減出售成本」）釐定。使用價值計算須採用預期現金產生單位所產生未來現金流量之判斷及估計、現金流量預測時間表以及適合貼現率，以計算現值。於估計預期未來現金流量過程中，管理層就未來收入及溢利作出假設。該等假設與未來事件及情況有關。實際結果或會有所不同，並可能導致下個財政年度之商譽賬面值須作重大調整。釐定合適之貼現率涉及估計市場風險及資產特定風險因素之適當調整。計算公平值減出售成本可能涉及選擇估值模型、採納主要假設及輸入數據，而以上項目均需管理層作出判斷。

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

### Income taxes

The Group is subject to income taxes in Hong Kong, Switzerland, United Kingdom, Liechtenstein and the PRC. Significant judgement is required in determining the amount of the provision for income taxes and the timing of the payments of related taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

### Warranty provision

Warranty provision is made for expenditure associated with future variable services and repair cost related to warranty claims. The management makes an assessment of the future costs related to this work by using the proportion of actual tasks related to warranty work as the basis for the calculation. The assessment of provision involves management judgement and estimates. When the actual outcome or expectation in future is different from the original estimate, such differences will impact the carrying value of warranty provision and provision charge/write-back in the period in which such estimate has been changed.

### Estimation of defined benefit obligations

The Group operates three defined benefit plans. Pension costs for defined benefit plans are assessed using the projected unit credit method in accordance with HKAS 19, Employee Benefits. Under this method, the cost of providing pensions is charged to the profit or loss in accordance with the advice of the actuaries who carry out a full valuation of the plans. The pension obligation is measured at the present value of the estimated future cash outflows using interest rates determined by reference to market yields at the end of the reporting period based on government agency or high quality corporate bonds with currency and term similar to the estimated term of benefit obligations. All actuarial gains and losses are recognised in full, in the year in which they occur, in other comprehensive income.

Management appointed actuaries to carry out a full valuation of these pension plans to determine the pension obligations that are required to be disclosed and accounted for in the accounts in accordance with the requirements of HKFRSs.

## 5. 關鍵會計判斷及估計不確定因素之主要來源 (續)

### 所得稅

本集團須繳納香港、瑞士、英國、列支敦士登及中國之所得稅。於決定就所得稅撥備之金額及就有關稅項付款之時間時，須作出重大判斷。於日常業務過程中，有許多交易及計算均難以明確作出最終之稅務釐定。就預計稅項確認負債時，本集團按有否額外稅項即將到期應付而估計。倘此等事項之最後稅項結果與初步記錄金額不同，該等差額將影響作出該項決定期間之所得稅及遞延稅項撥備。

### 保修撥備

本集團就日後各種服務及與保修索賠有關之維修成本相關開支作出保修撥備。管理層採用有關保修工作實際任務比例作為計算基準，以評估有關此工作之未來成本。評估撥備涉及管理層判斷及估計。當日後之實際結果或預期情況與原先估計存在差異，則有關差異將影響該等估計有變期間之保修撥備以及扣除／撥回撥備賬面值。

### 定額福利責任估計

本集團營辦三項定額福利計劃。定額福利計劃之退休金成本根據香港會計準則第19號僱員福利之規定，使用預期單位記賬法進行評估。根據此方法，提供退休金之成本按對計劃作出全面估值之精算師意見於溢利或虧損內扣除。退休金責任為估計未來現金流出數額之現值，該現值參照於報告期間結算日與福利責任估計年期之條款及貨幣相若之政府機構或高質素公司債券之市場孳息率釐定之利率計算所得。所有精算收益及虧損於發生年度內在其它全面收入全數確認。

管理層委任精算師對該等退休金計劃進行全面估值，以釐定根據香港財務報告準則規定，須於賬目內披露及入賬之退休金責任。

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

### Estimation of defined benefit obligations (Continued)

The actuaries use assumptions and estimates in determining the fair value of the defined benefit plans and evaluate and update these assumptions on an annual basis. Judgement is required to determine the principal actuarial assumptions to determine the present value of defined benefit obligations and service costs. Changes to the principal actuarial assumptions can significantly affect the present value of plan obligations and service costs in future periods.

### Valuation adjustments on credit positions

Various factors can influence the expected credit loss allowances for credit positions. Management considers factors such as external rating and days past due to determine the HKFRS 9 staging allocation. Management further estimates the exposure at default, probability of default as well as loss given default to calculate the expected credit losses allowance.

### Provisions

The Group recognises provisions for imminent threats if in the opinion of the responsible experts the probability that losses will occur is greater than the probability that they will not occur and if their amount can be reliably estimated. In judging whether the creation of a provision and its amount are reasonable, the best-possible estimates and assumptions as at the end of reporting periods are applied. If necessary, these will be adjusted to reflect new knowledge and circumstances at a later date. New knowledge may have a significant effect to profit or loss.

As part of the normal business activities of banking business, the Group is exposed to a wide range of legal risks. These include in particular risks relating to litigation. The Group recognises provisions for such litigation risks if the Group's management and its legal advisors are of the opinion that an outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount. The amount of the provisions and their timing are by their nature subject to uncertainty. However, these uncertainties are evaluated as being low since it was possible to reliably estimate the individual amounts and the majority of the recognised provisions will probably become due within one year.

## 5. 關鍵會計判斷及估計不確定因素之主要來源 (續)

### 定額福利責任估計 (續)

精算師在釐定定額福利計劃之公平值時使用假設及估計，並每年評估及更新該等假設。在釐定主要精算假設時須運用判斷，以釐定定額福利責任之現值與服務成本。改變所採用之主要精算假設可對未來期間之計劃責任現值與服務成本造成重大影響。

### 信貸狀況之估值調整

多項因素可影響信貸狀況之預期信貸虧損撥備。管理層會考慮外部評級及逾期日數等因素，以釐定香港財務報告準則第9號之階段分配。管理層進一步估計違約風險承擔、違約或然率及違約損失率計算預期信貸虧損撥備。

### 撥備

倘相關專家認為發生虧損之可能性高於不會發生之可能性並能可靠估計虧損金額時，則本集團就當前威脅確認撥備。於判斷計提撥備及撥備金額有否合理時，應用報告期間結算日之最佳可能估計及假設。如有必要，日後可調整此最佳可能估計及假設以反映新認知及情況。新認知或會對溢利或虧損有重大影響。

作為銀行業務日常業務活動一部分，本集團面臨多類法律風險。該等風險包括與訴訟有關之特定風險。倘本集團管理層及其法律顧問認為體現經濟利益之資源可能流出且金額能可靠估計，則本集團就該訴訟風險確認撥備。撥備金額及其時間根據其性質受不確定因素規限。然而，由於能可靠地估計個別金額及大多數已確認撥備可能於一年內到期，故此經評估該等不確定因素為低。

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

### Research and development costs

In accordance with the accounting policy set out in note 4.12, costs associated with research activities are expensed in profit or loss as they are incurred, while costs that are directly attributable to development activities are recognised as intangible assets provided they meet all the requirements as set out in note 4.12. This requires the management to make judgements to distinguish the research phase and development phase of the projects being undertaken. Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Development is the application of research, findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use. Determining the amounts to be expensed in profit or loss or to be capitalised required management to make judgement, and assumptions regarding the expected progress and outcome of the research and development activities, the future expected cash generation of the assets, discount rates to be applied, and also the expected period of, probable future economic benefits. Because of the nature of the Group's research and development activities the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the projects. Hence research costs are generally recognised as expenses in the period in which they are incurred.

### Right-of-use assets

The Group uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

## 5. 關鍵會計判斷及估計不確定因素之主要來源 (續)

### 研發成本

根據附註4.12載列之會計政策，研究活動相關之開支於產生時於溢利或虧損列作開支，而倘直接歸屬於開發活動之開支符合附註4.12載列之所有規定，則其將確認為無形資產。此要求管理層作出判斷以將所承接項目之研究階段及開發階段予以區分。研究乃所進行之原創及受規劃之調查，旨在獲得新科學或技術知識及瞭解。開發乃於開始作商業生產或使用前應用研究、結果或其他知識，以規劃或設計生產全新或重大改良物料器具、產品、工序、系統或服務。釐定於溢利或虧損列作開支或予以資本化之金額時，管理層須作出判斷及有關研發活動之預期進度及結果、資產之未來預期現金產生、將應用之貼現率，及可能未來經濟效益之預期期間之假設。基於本集團之研究及開發活動性質，確認該等成本為資產之條件一般直至達到項目之開發階段後期時方會達成。因此，研究成本一般於產生期間內確認為開支。

### 使用權資產

當本集團使用增量借款利率（「增量借款利率」）計量租賃負債。增量借款利率為本集團於類似經濟環境中為取得與使用權資產價值相近之資產，而以類似抵押品與類似期間借入所需資金應支付之利率。因此，增量借款利率反映了本集團「應支付」的利率，當無可觀察的利率時或當須對利率進行調整以反映租賃的條款及條件時，則須作出利率估計。

當可觀察輸入數據可用時，本集團使用可觀察輸入數據（如市場利率）估算增量借款利率並須作出若干實體特定的估計。

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

### Going concern assumption

As stated in note 3.3 contain information about the consolidated financial statements have been prepared on a going concern basis as of 31 December 2020.

The directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern for at least the next twelve months from the end of the reporting period and to meet its financial obligations, as and when they fall due. Taking into account of the factors as mentioned in note 3.3, the directors of the Company opined that the Group will have sufficient working capital to finance its operations and to meet its financial obligations that will be due within next twelve months from 31 December 2020.

Should the Group be unable to continue as a going concern, adjustment would have to be made to write down the carrying value of the Group's assets to their net realisable amounts, and to provide for further liabilities that might arise. The effect of these potential adjustments has not been reflected in the consolidated financial statements.

### Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: observable inputs other than quoted prices included within Level 1; and
- Level 3: unobservable inputs are inputs for which market data are not available.

## 5. 關鍵會計判斷及估計不確定因素之主要來源(續)

### 持續經營假設

如附註3.3所示列，當中載有截至二零二零年十二月三十一日綜合財務報表乃按持續經營基準編製的資料。

本公司董事已仔細考慮本集團未來的流動資金及表現及其可用資金來源，以評估本集團是否能夠繼續在報告期末後的最少十二個月持續經營，並在到期時履行其財務義務。考慮到附註3.3所述的因素，本公司董事認為本集團擁有充足的營運資金，可滿足由二零二零年十二月三十一日起十二個月的經營所需並履行到期財務責任。

倘本集團未能持續經營，則將會作出調整，以撇銷本集團資產的賬面值為其可收回金額，以就可能產生的其他負債計提撥備。該等潛在調整的影響並未在綜合財務報表內反映。

### 公平值計量

多項載列於本集團財務報表的資產及負債須作出公平值計量及／或披露。本集團金融及非金融資產及負債之公平值計量乃於可行範圍內盡量使用市場可觀察輸入數值及數據。於釐定公平值計量時使用之輸入數值乃根據所運用之估值技術中使用之輸入數值之可觀察程度而分類為不同層級（「公平值層級」）：

- 第一級：相同資產或負債於活躍市場之未經調整報價；
- 第二級：第一級所包括報價以外之可觀察輸入數值；及
- 第三級：不可觀察輸入數值為無法取得市場數據之輸入數值。



## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

### Fair value measurement (Continued)

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures the following items at fair value:

- Due from banks – precious metals (note 18)
- Trading portfolio investments (note 19)
- Financial assets at fair value through other comprehensive income (note 20)
- Derivative financial assets (note 21)
- Derivative financial liabilities (note 21)
- Investment properties (note 28)
- Due to clients – precious metals (note 32)

For more detailed information in relation to the fair value measurement of the items above, please refer to the respective notes.

## 6. SEGMENT INFORMATION

The chief operating decision-maker is identified as executive directors. The executive directors have identified the Group's product and service lines as operating segments as follows:

- (a) manufacturing and distribution of watches and timepieces;
- (b) property investments; and
- (c) banking and financial businesses.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

## 5. 關鍵會計判斷及估計不確定因素之主要來源 (續)

### 公平值計量 (續)

項目所歸入之上述層級乃依據對該項目公平值計量具有重大影響之最低級輸入數值。不同層級之間之項目轉移於發生期間確認。

本集團計算以下項目之公平值：

- 應收銀行款項－貴金屬 (附註18)
- 交易組合投資 (附註19)
- 按公平值計入其他全面收入之金融資產 (附註20)
- 衍生金融資產 (附註21)
- 衍生金融負債 (附註21)
- 投資物業 (附註28)
- 應付客戶款項－貴金屬 (附註32)

有關上述項目公平值計量之更多詳盡資料，請參閱相關附註。

## 6. 分類資料

主要營運決策者 (即執行董事) 已將本集團產品及服務類別分為以下多個經營分類：

- (a) 鐘錶及時計產品製造及分銷；
- (b) 物業投資；及
- (c) 銀行及金融業務。

此等經營分類之監控及策略決定按經調整分類經營業績作出。

## 6. SEGMENT INFORMATION (Continued)

2020

## 6. 分類資料(續)

二零二零年

|   |                   | Watches and<br>timepieces<br>鐘錶及<br>時計產品<br>HK\$'000<br>千港元 | Property<br>investments<br>物業投資<br>HK\$'000<br>千港元 | Banking<br>and financial<br>businesses<br>銀行及<br>金融業務<br>HK\$'000<br>千港元 | Unallocated<br>未分配<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|---|-------------------|---|--|--|---------------------------------------|--------------------------------|
| <b>Segment revenue:</b>   | <b>分類收入:</b>      |   |  |  |                                       |                                |
| Net interest income from banking business                         | 銀行業務之利息收入淨額       | -   | -  | 128,028  | -                                     | 128,028                        |
| Net service fees and commission income from banking business      | 銀行業務之服務費及佣金收入淨額   | -   | -  | 196,994  | -                                     | 196,994                        |
| Trading income from banking business                              | 銀行業務之交易收入         | -   | -  | 21,702   | -                                     | 21,702                         |
| Service fees and commission income from financial business        | 金融業務之服務費及佣金收入     | -   | -  | 10,721   | -                                     | 10,721                         |
| Interest income from financial business                           | 金融業務之利息收入         | -   | -  | 184  | -                                     | 184                            |
| Sales of goods from non-banking and financial businesses          | 非銀行及金融業務之貨品銷售收入   | 1,405,812   | -  | -  | -                                     | 1,405,812                      |
| Rental income from non-banking and financial businesses           | 非銀行及金融業務之租金收入     | -   | 11,108   | -  | -                                     | 11,108                         |
| <b>Total revenue</b>  | <b>總收入</b>        | <b>1,405,812</b>  | <b>11,108</b>                                      | <b>357,629</b>   | <b>-</b>                              | <b>1,774,549</b>               |
| <b>Segment results</b>  | <b>分類業績</b>       | <b>(51,611)</b>   | <b>16,067</b>                                      | <b>22,531</b>  | <b>-</b>                              | <b>(13,013)</b>                |
| Unallocated corporate income and expenses, net                    | 未分配公司收入及支出淨額      | -   | -  | -  | (40,370)                              | (40,370)                       |
| Share of loss of joint ventures                                   | 應佔合營企業虧損          | -   | -  | -  | (494)                                 | (494)                          |
| Share of profit of associates                                     | 應佔聯營公司溢利          | -   | -  | -  | 3,180                                 | 3,180                          |
| Finance costs   | 財務費用              | (23,863)  | -  | (543)  | (58,550)                              | (82,956)                       |
| (Loss)/profit before income tax                                   | 除所得稅前(虧損)/溢利      | (75,474)  | 16,067   | 21,988   | (96,234)                              | (133,653)                      |
| Income tax expense  | 所得稅開支             | (18,904)  | (689)  | (5,026)  | (557)                                 | (25,176)                       |
| (Loss)/profit for the year  | 本年度(虧損)/溢利        | (94,378)  | 15,378   | 16,962   | (96,791)                              | (158,829)                      |
| <b>Segment assets</b>   | <b>分類資產</b>       | <b>4,775,170</b>  | <b>196,708</b>                                     | <b>15,560,071</b>  | <b>-</b>                              | <b>20,531,949</b>              |
| Unallocated corporate assets:                                     | 未分配公司資產:          |   |  |  |                                       |                                |
| Interests in joint ventures                                       | 所佔合營企業權益          | -   | -  | -  | 602                                   | 602                            |
| Interests in associates   | 所佔聯營公司權益          | -   | -  | -  | 113,176                               | 113,176                        |
| Trading portfolio investments                                     | 交易組合投資            | -   | -  | -  | 29,054                                | 29,054                         |
| Financial assets at fair value through other comprehensive income | 按公平值計入其他全面收入之金融資產 | -   | -  | -  | 464,843                               | 464,843                        |
| Cash and deposits   | 現金及存款             | -   | -  | -  | 151,882                               | 151,882                        |
| Other unallocated corporate assets                                | 其他未分配公司資產         | -   | -  | -  | 93,689                                | 93,689                         |
| <b>Consolidated total assets</b>                                  | <b>綜合總資產</b>      | <b>4,775,170</b>  | <b>196,708</b>                                     | <b>15,560,071</b>  | <b>853,246</b>                        | <b>21,385,195</b>              |

## 6. SEGMENT INFORMATION (Continued)

2020 (Continued)

## 6. 分類資料 (續)

二零二零年 (續)

|   |                   | Watches and<br>timepieces<br>鐘錶及<br>時計產品<br>HK\$'000<br>千港元 | Property<br>investments<br>物業投資<br>HK\$'000<br>千港元 | Banking<br>and financial<br>businesses<br>銀行及<br>金融業務<br>HK\$'000<br>千港元 | Unallocated<br>未分配<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|---|-------------------|---|--|--|---------------------------------------|--------------------------------|
| <b>Segment liabilities</b>  | <b>分類負債</b>       | 1,109,730   | 30,627   | 14,283,267   | -                                     | 15,423,624                     |
| Unallocated corporate liabilities:                                  | 未分配公司負債：          |   |  |  |                                       |                                |
| Borrowings  | 借貸                | -   | -  | -  | 1,125,028                             | 1,125,028                      |
| Amount due to a shareholder   | 應付一名股東之款項         | -   | -  | -  | 12,000                                | 12,000                         |
| Lease liabilities   | 租賃負債              | -   | -  | -  | 19,336                                | 19,336                         |
| Other unallocated corporate liabilities                             | 其他未分配公司負債         | -   | -  | -  | 68,980                                | 68,980                         |
| <b>Consolidated total liabilities</b>                               | <b>綜合總負債</b>      | 1,109,730   | 30,627   | 14,283,267   | 1,225,344                             | 16,648,968                     |
| <b>Other segment information</b>                                    | <b>其他分類資料</b>     |   |  |  |                                       |                                |
| Interest income and other interest income                           | 利息收入及其他利息收入       | 3,365   | 214  | 630  | 13                                    | 4,222                          |
| Expected credit losses on trade receivables                         | 應收賬款預期信貸虧損        | (16,960)  | -  | -  | -                                     | (16,960)                       |
| Expected credit losses on other assets                              | 其他資產預期信貸虧損        | (826)   | -  | -  | -                                     | (826)                          |
| Provision of expected credit losses on due from banks and customers | 應收銀行及客戶款項預期信貸虧損撥備 | -   | -  | (278)  | -                                     | (278)                          |
| Provision for litigation risks, net                                 | 訴訟風險撥備淨額          | -   | -  | (1,907)  | -                                     | (1,907)                        |
| Provision for inventories   | 存貨撥備              | (13,088)  | -  | -  | -                                     | (13,088)                       |
| Reversal of provision for inventories                               | 撥回存貨撥備            | 12,819  | -  | -  | -                                     | 12,819                         |
| Depreciation and amortisation                                       | 折舊及攤銷             | (121,057)   | -  | (21,611)   | (19,205)                              | (161,873)                      |
| Additions to non-current assets                                     | 添置非流動資產           | 61,864  | -  | 128,993  | 87                                    | 190,944                        |
| Net surplus on revaluation of investment properties                 | 投資物業重估之盈餘淨額       | -   | 9,723  | -  | -                                     | 9,723                          |

## 6. SEGMENT INFORMATION (Continued)

2019

## 6. 分類資料(續)

二零一九年

|   |                   | Watches and<br>timepieces<br>鐘錶及<br>時計產品<br>HK\$'000<br>千港元 | Property<br>investments<br>物業投資<br>HK\$'000<br>千港元 | Banking and<br>financial<br>businesses<br>銀行及<br>金融業務<br>HK\$'000<br>千港元 | Unallocated<br>未分配<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|---|-------------------|---|--|--|---------------------------------------|--------------------------------|
| <b>Segment revenue:</b>   | <b>分類收入:</b>      |   |  |  |                                       |                                |
| Net interest income from banking business                         | 銀行業務之利息收入淨額       | -   | -  | 183,462  | -                                     | 183,462                        |
| Net service fees and commission income from banking business      | 銀行業務之服務費及佣金收入淨額   | -   | -  | 212,561  | -                                     | 212,561                        |
| Trading income from banking business                              | 銀行業務之交易收入         | -   | -  | 57,230   | -                                     | 57,230                         |
| Service fees and commission income from financial business        | 金融業務之服務費及佣金收入     | -   | -  | 3,195  | -                                     | 3,195                          |
| Interest income from financial business                           | 金融業務之利息收入         | -   | -  | 165  | -                                     | 165                            |
| Sales of goods from non-banking and financial businesses          | 非銀行及金融業務之貨品銷售收入   | 2,249,737   | -  | -  | -                                     | 2,249,737                      |
| Rental income from non-banking and financial businesses           | 非銀行及金融業務之租金收入     | -   | 9,915  | -  | -                                     | 9,915                          |
| <b>Total revenue</b>  | <b>總收入</b>        | <b>2,249,737</b>  | <b>9,915</b>                                       | <b>456,613</b>   | <b>-</b>                              | <b>2,716,265</b>               |
| <b>Segment results</b>  | <b>分類業績</b>       | <b>106,163</b>  | <b>8,792</b>                                       | <b>198,256</b>   | <b>-</b>                              | <b>313,211</b>                 |
| Unallocated corporate income and expenses, net                    | 未分配公司收入及支出淨額      | -   | -  | -  | (91,586)                              | (91,586)                       |
| Share of loss of joint ventures                                   | 應佔合營企業虧損          | -   | -  | -  | (1,343)                               | (1,343)                        |
| Share of profit of associates                                     | 應佔聯營公司溢利          | -   | -  | -  | 17,675                                | 17,675                         |
| Finance costs   | 財務費用              | (29,760)  | -  | (1,045)  | (64,515)                              | (95,320)                       |
| Profit/(loss) before income tax                                   | 除所得稅前溢利/(虧損)      | 76,403  | 8,792  | 197,211  | (139,769)                             | 142,637                        |
| Income tax expense  | 所得稅開支             | (45,680)  | (818)  | (24,330)   | (628)                                 | (71,456)                       |
| Profit/(loss) for the year  | 本年度溢利/(虧損)        | 30,723  | 7,974  | 172,881  | (140,397)                             | 71,181                         |
| <b>Segment assets</b>   | <b>分類資產</b>       | <b>4,991,807</b>  | <b>182,932</b>                                     | <b>13,631,441</b>  | <b>-</b>                              | <b>18,806,180</b>              |
| Unallocated corporate assets:                                     | 未分配公司資產:          |   |  |  |                                       |                                |
| Interests in joint ventures                                       | 所佔合營企業權益          | -   | -  | -  | 1,096                                 | 1,096                          |
| Interests in associates   | 所佔聯營公司權益          | -   | -  | -  | 115,486                               | 115,486                        |
| Trading portfolio investments                                     | 交易組合投資            | -   | -  | -  | 37,190                                | 37,190                         |
| Financial assets at fair value through other comprehensive income | 按公平值計入其他全面收入之金融資產 | -   | -  | -  | 417,256                               | 417,256                        |
| Cash and deposits   | 現金及存款             | -   | -  | -  | 58,998                                | 58,998                         |
| Other unallocated corporate assets                                | 其他未分配公司資產         | -   | -  | -  | 160,875                               | 160,875                        |
| <b>Consolidated total assets</b>                                  | <b>綜合總資產</b>      | <b>4,991,807</b>  | <b>182,932</b>                                     | <b>13,631,441</b>  | <b>790,901</b>                        | <b>19,597,081</b>              |

## 6. SEGMENT INFORMATION (Continued)

2019 (Continued)

|  |                   | Watches and<br>timepieces<br>鐘錶及<br>時計產品<br>HK\$'000<br>千港元 | Property<br>investments<br>物業投資<br>HK\$'000<br>千港元 | Banking and<br>financial<br>businesses<br>銀行及<br>金融業務<br>HK\$'000<br>千港元 | Unallocated<br>未分配<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|--|-------------------|---|--|--|---------------------------------------|--------------------------------|
| <b>Segment liabilities</b>   | <b>分類負債</b>       | 1,145,167   | 28,140   | 12,303,747   | -                                     | 13,477,054                     |
| Unallocated corporate liabilities:                                 | 未分配公司負債：          |   |  |  |                                       |                                |
| Borrowings   | 借貸                | -   | -  | -  | 1,329,115                             | 1,329,115                      |
| Amount due to a shareholder  | 應付一名股東之款項         | -   | -  | -  | 12,000                                | 12,000                         |
| Lease liabilities  | 租賃負債              | -   | -  | -  | 37,001                                | 37,001                         |
| Other unallocated corporate liabilities                            | 其他未分配公司負債         | -   | -  | -  | 81,022                                | 81,022                         |
| <b>Consolidated total liabilities</b>                              | <b>綜合總負債</b>      | 1,145,167   | 28,140   | 12,303,747   | 1,459,138                             | 14,936,192                     |
| <b>Other segment information</b>                                   | <b>其他分類資料</b>     |   |  |  |                                       |                                |
| Interest income and other interest income                          | 利息收入及其他利息收入       | 2,987   | 549  | 202  | 519                                   | 4,257                          |
| Expected credit losses on trade receivables                        | 應收賬款預期信貸虧損        | (7,340)   | -  | -  | -                                     | (7,340)                        |
| Expected credit losses on other assets                             | 其他資產預期信貸虧損        | (2,167)   | -  | -  | -                                     | (2,167)                        |
| Reversal of expected credit losses on due from banks and customers | 撥回應收銀行及客戶款項預期信貸虧損 | -   | -  | 1,812  | -                                     | 1,812                          |
| Reversal of provision for litigation risks, net                    | 撥回訴訟風險撥備淨額        | -   | -  | 394  | -                                     | 394                            |
| Provision for inventories  | 存貨撥備              | (24,263)  | -  | -  | (3,265)                               | (27,528)                       |
| Depreciation and amortisation                                      | 折舊及攤銷             | (136,503)   | -  | (19,719)   | (18,644)                              | (174,866)                      |
| Additions to non-current assets                                    | 添置非流動資產           | 128,948   | -  | 47,525   | -                                     | 176,473                        |
| Net surplus on revaluation of investment properties                | 投資物業重估之盈餘淨額       | -   | 4,047  | -  | -                                     | 4,047                          |

Unallocated corporate income and expenses mainly comprised dividend income from trading portfolio investments and financial assets at fair value through other comprehensive income, gain or loss on fair value changes in trading portfolio investments, impairment of yacht and other corporate income and expenses of the Group's headquarter which are not directly attributable to the business activities of any operating segment. Other corporate expenses mainly included employee costs and directors' remuneration for administrative purpose.

## 6. 分類資料 (續)

二零一九年 (續)

未分配公司收入及支出主要包括來自交易組合投資及按公平值計入其他全面收入之金融資產之股息收入、交易組合投資公平值變動之收益或虧損、遊艇減值及概不直接歸屬於任何經營分類業務活動之本集團總部其他公司收入及支出。其他公司支出主要包括用於行政目的的僱員成本及董事薪酬。



## 6. SEGMENT INFORMATION (Continued)

The Group's revenues from external customers and its non-current assets (other than financial assets and deferred tax assets) are divided into the following geographical areas:

## 6. 分類資料(續)

本集團來自外界客戶之收入及非流動資產(金融資產及遞延稅項資產除外)按以下地區劃分：

|                |       | Revenue from<br>external customers<br>來自外界客戶收入 |                                  | Non-current assets<br>非流動資產      |                                  |
|----------------|-------|--|----------------------------------|----------------------------------|----------------------------------|
|                |       | 2020<br>二零二零年<br>HK\$'000<br>千港元               | 2019<br>二零一九年<br>HK\$'000<br>千港元 | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
| Hong Kong      | 香港    | 35,076   | 105,007                          | 225,976                          | 232,366                          |
| PRC            | 中國    | 1,162,732                                      | 1,735,436                        | 1,418,524                        | 1,377,436                        |
| Switzerland    | 瑞士    | 7,412  | 28,311                           | 464,890                          | 445,173                          |
| United Kingdom | 英國    | 48,968   | 78,959                           | 15,184                           | 19,361                           |
| Liechtenstein  | 列支敦士登 | 346,724  | 453,253                          | 652,561                          | 488,356                          |
| Others         | 其他    | 173,637  | 315,299                          | 1,282                            | 1,449                            |
|                |       | <b>1,774,549</b>                               | <b>2,716,265</b>                 | <b>2,778,417</b>                 | <b>2,564,141</b>                 |

The geographical location of revenues from watches and timepieces and property investments segment are based on the location of customers, and the geographical location of revenues from banking and financial businesses segment are based on the location of operations of the Cash Generating Units ("CGUs"). For goodwill and intangible assets, the geographical location is based on the areas of operation of CGUs. The geographical location of other non-current assets is based on the physical location of the assets.

The Group has a large number of customers and there is no significant revenue that is more than 10% of the Group's revenue derived from specific external customers for the years ended 31 December 2020 and 2019.

鐘錶及時計產品以及物業投資分類的收入地區以客戶所在地點為準，而銀行及金融業務分類的收入地區以現金產生單位(「現金產生單位」)經營所在地為準。商譽及無形資產以現金產生單位經營所在地為準。其他非流動資產地區以資產實際所在地點為準。

本集團客戶眾多，截至二零二零年及二零一九年十二月三十一日止年度，概無任何來自特定外界客戶佔本集團收入超過10%之重大收入。

## 7. REVENUE

The Group is principally engaging in manufacturing and distribution of watches and timepieces, property investments and banking and financial businesses.

For banking and financial businesses, revenue mainly comprises net interest income, net service fees and commission income and trading income (notes 7(a), 7(b), 7(c) and 7(d)). For non-banking and financial businesses, revenue mainly represents the net invoiced value of goods sold, after allowance for returns and trade discounts and rental income received and receivables. (note 7(e)).

Revenue recognised during the year is as follows:

### (a) Net interest income from banking business

## 7. 收入

本集團主要從事鐘錶及時計產品製造及分銷、物業投資以及銀行及金融業務。

就銀行及金融業務而言，收入主要包括利息收入淨額、服務費及佣金收入淨額以及交易收入(附註7(a)、7(b)、7(c)及7(d))。就非銀行及金融業務而言，收入主要指扣除退貨及貿易折扣售出貨品發票淨值以及已收及應收租金收入(附註7(e))。

年內確認之收入如下：

### (a) 銀行業務之利息收入淨額

|  |                           | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|---------------------------|----------------------------------|----------------------------------|
| <b>Interest income from banking business arising from:</b>   | <b>下列各項所產生之銀行業務之利息收入：</b> |                                  |                                  |
| Interest income – due from banks                             | 利息收入－應收銀行款項               | 91,259                           | 151,973                          |
| Interest income – due from clients                           | 利息收入－應收客戶款項               | 25,899                           | 26,840                           |
| Interest income from trading portfolio investments           | 交易組合投資之利息收入               | –                                | 387                              |
| Interest income from mortgage loans                          | 按揭貸款之利息收入                 | 19,240                           | 15,824                           |
| Interest income from money market papers                     | 貨幣市場票據之利息收入               | 551                              | 878                              |
| Interest income from financial assets                        | 金融資產之利息收入                 | 18,963                           | 24,955                           |
| Negative interest income/(expense) on due to clients         | 應付客戶款項之負利息收入／(開支)         | 819                              | (36)                             |
|  |                           | <b>156,731</b>                   | <b>220,821</b>                   |
| <b>Interest expenses from banking business arising from:</b> | <b>下列各項所產生之銀行業務之利息開支：</b> |                                  |                                  |
| Interest expense on due to banks                             | 應付銀行款項之利息開支               | (24,437)                         | (33,268)                         |
| Interest expense on due to clients                           | 應付客戶款項之利息開支               | (3,163)                          | (3,551)                          |
| Interest expense for issued debt instruments                 | 已發行債務工具之利息開支              | –                                | (352)                            |
| Negative interest income on due from banks and clients       | 應收銀行及客戶款項之負利息收入           | (1,103)                          | (188)                            |
|  |                           | <b>(28,703)</b>                  | <b>(37,359)</b>                  |
| <b>Net interest income from banking business</b>             | <b>銀行業務之利息收入淨額</b>        | <b>128,028</b>                   | <b>183,462</b>                   |

## 7. REVENUE (Continued)

## 7. 收入(續)

## (b) Net service fees and commission income from banking business

## (b) 銀行業務之服務費及佣金收入淨額

|  |                        | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|------------------------|----------------------------------|----------------------------------|
| <b>Service fee and commission income from banking business arising from:</b> | 下列各項所產生之銀行業務之服務費及佣金收入： |                                  |                                  |
| Commission income from loans   | 貸款所得佣金收入               | 4,215                            | 6,935                            |
| Brokerage fees   | 經紀費                    | 54,412                           | 30,654                           |
| Custody account fees   | 託管賬戶費                  | 24,714                           | 26,276                           |
| Commission on investment advice and asset management                         | 投資建議及資產管理佣金            | 92,597                           | 99,256                           |
| Commission income from service fees  | 服務費佣金收入                | 39,554                           | 59,006                           |
| Commission income from fiduciary fees  | 信託費佣金收入                | 413                              | 455                              |
| Commission income from retrocession  | 轉分保佣金收入                | 4,923                            | 5,758                            |
| Other commission income  | 其他佣金收入                 | 37,173                           | 52,287                           |
|  |                        | <b>258,001</b>                   | 280,627                          |
| Service fees and commission expenses from banking business                   | 銀行業務之服務費及佣金開支          | <b>(61,007)</b>                  | (68,066)                         |
| <b>Net service fees and commission income from banking business</b>          | <b>銀行業務之服務費及佣金收入淨額</b> | <b>196,994</b>                   | 212,561                          |

## (c) Trading income from banking business

## (c) 銀行業務之交易收入

|   |                  | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|------------------|----------------------------------|----------------------------------|
| Debt instruments                            | 債務工具             | 28                               | (113)                            |
| Securities                                  | 證券               | 30                               | 81                               |
| Forex and precious metals                   | 外匯及貴金屬           | 40,915                           | 56,527                           |
| Funds                                       | 基金               | (19,271)                         | 735                              |
| <b>Trading income from banking business</b> | <b>銀行業務之交易收入</b> | <b>21,702</b>                    | 57,230                           |

## 7. REVENUE (Continued)

## (d) Revenue from financial business

|  |                | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|----------------|----------------------------------|----------------------------------|
| Service fees and commission income     | 服務費及佣金收入       | 10,721                           | 3,195                            |
| Interest income                        | 利息收入           | 184                              | 165                              |
| <b>Revenue from financial business</b> | <b>金融業務之收入</b> | <b>10,905</b>                    | <b>3,360</b>                     |

## 7. 收入 (續)

## (d) 金融業務之收入

## (e) Revenue from non-banking and financial businesses

|   |                    | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|--------------------|----------------------------------|----------------------------------|
| Sales of goods  | 貨品銷售               | 1,405,812                        | 2,249,737                        |
| Rental income   | 租金收入               | 11,108                           | 9,915                            |
| <b>Revenue from non-banking business and financial businesses</b> | <b>非銀行及金融業務之收入</b> | <b>1,416,920</b>                 | <b>2,259,652</b>                 |

## (e) 非銀行及金融業務之收入

## 8. OTHER INCOME AND OTHER NET GAINS OR LOSSES

## 8. 其他收入及其他收益或虧損淨額

|  |                        | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|------------------------|----------------------------------|----------------------------------|
| Gain on disposal of a subsidiary   | 出售一間附屬公司之收益            | 405                              | -                                |
| Gain on fair value changes in trading portfolio investments, net                       | 交易組合投資的公平值變動收益淨額       | 36,162                           | 20,368                           |
| Net surplus on revaluation of investment properties                                    | 投資物業重估之盈餘淨額            | 9,723                            | 4,047                            |
| Gain on disposal of property, plant and equipment                                      | 出售物業、廠房及設備之收益          | 531                              | 159                              |
| Bank and other interest income from non-banking business                               | 非銀行業務之銀行及其他利息收入        | 4,222                            | 4,257                            |
| Dividend income from trading portfolio investments                                     | 交易組合投資的股息收入            | 1,417                            | 1,061                            |
| Dividend income from financial assets at fair value through other comprehensive income | 按公平值計入其他全面收入之金融資產之股息收入 | 8,815                            | 12,263                           |
| Sales of scrap materials   | 廢料銷售                   | 22                               | 152                              |
| Other operating income   | 其他經營收入                 | 14,880                           | 19,222                           |
| Government subsidies (note (a))  | 政府補助金(附註(a))           | 21,474                           | 20,936                           |
| (Provision of)/reversal of provision for litigation risks                              | 訴訟風險撥備(撥備)/撥回          | (1,907)                          | 394                              |
| (Provision of)/reversal of expected credit losses for due from banks and clients       | 應收銀行及客戶款項預期信貸虧損(撥備)/撥回 | (278)                            | 1,812                            |
| Provision of expected credit losses for other financial assets at amortised cost       | 按攤銷成本列賬之其他金融資產預期信貸虧損撥備 | (29,348)                         | (291)                            |
| Exchange gain, net   | 外匯收益淨額                 | 27,643                           | 12,462                           |
| Other sundry income, net   | 其他雜項收入淨額               | 4,572                            | 7,551                            |
|  |                        | <b>98,333</b>                    | <b>104,393</b>                   |

Note:

- (a) Government subsidies mainly comprised of unconditional subsidies received for subsidising the Group's business.

附註：

- (a) 政府補助金主要包括已收無條件補貼本集團業務之補助金。

## 9. FINANCE COSTS FROM NON-BANKING BUSINESS

## 9. 非銀行業務之財務費用

|   |                     | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|---------------------|----------------------------------|----------------------------------|
| Interest charged on corporate bonds                                       | 公司債券利息開支            | -                                | 18,605                           |
| Interest charged on bank borrowings, bank overdrafts and other borrowings | 銀行借貸、銀行透支及其他借貸的利息開支 | 79,456                           | 69,784                           |
| Margin loan interests   | 保證金貸款利息             | 109                              | 2,298                            |
| Interest on lease liabilities   | 租賃負債利息              | 3,391                            | 4,633                            |
|   |                     | <b>82,956</b>                    | 95,320                           |

## 10. (LOSS)/PROFIT BEFORE INCOME TAX

## 10. 除所得稅前(虧損)/溢利

(Loss)/profit before income tax is arrived at after charging/(crediting):

除所得稅前(虧損)/溢利已扣除/(計入)下列各項後達致：

|   |                  | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|------------------|----------------------------------|----------------------------------|
| Cost of inventories recognised as expense, including: | 確認為開支的存貨成本，包括：   | 647,405                          | 1,004,030                        |
| - Reversal of provision for inventories               | - 撥回存貨撥備         | (12,819)                         | -                                |
| - Provision for inventories                           | - 存貨撥備           | 13,088                           | 27,528                           |
| Depreciation and amortisation                         | 折舊及攤銷            | 161,873                          | 174,866                          |
| - Depreciation for owned assets (note (a))            | - 自用資產折舊(附註(a))  | 102,518                          | 117,716                          |
| - Depreciation for right-of-use assets (note (a))     | - 使用權資產折舊(附註(a)) | 57,571                           | 55,434                           |
| - Amortisation of intangible assets (note (b))        | - 無形資產攤銷(附註(b))  | 1,784                            | 1,716                            |
| Short term lease expenses                             | 短期租賃開支           | 18,014                           | 16,892                           |
| Auditor's remuneration                                | 核數師酬金            | 4,800                            | 4,800                            |
| Gross rental income                                   | 租金收入總額           | (11,108)                         | (9,915)                          |
| Less: direct operating expenses                       | 減：直接經營開支         | 2,080                            | 2,189                            |
| Net rental income                                     | 租金收入淨額           | (9,028)                          | (7,726)                          |
| Research and development expenses (note (b))          | 研究及開發開支(附註(b))   | 24,526                           | 39,001                           |
| Expected credit losses on other assets                | 其他資產預期信貸虧損       | 826                              | 2,167                            |
| Expected credit losses on trade receivables           | 應收賬款預期信貸虧損       | 16,960                           | 7,340                            |
| Advertising   | 廣告               | 140,653                          | 212,320                          |



**10. (LOSS)/PROFIT BEFORE INCOME TAX (Continued)**

Notes:

- (a) Depreciation expense of HK\$15,047,000 (2019: HK\$26,206,000) has been included in cost of sales from non-banking and financial businesses, HK\$58,746,000 (2019: HK\$61,029,000) in selling and distribution expenses and HK\$86,296,000 (2019: HK\$85,915,000) in administrative expenses.
- (b) Amortisation expenses and research and development expenses had been included in the administrative expenses.

**11. INCOME TAX EXPENSE**

For the year ended 31 December 2020 and 2019, Hong Kong profit tax has been provided for certain subsidiaries within the Group and is calculated at 16.5% on the estimated assessable profits (2019: 16.5%). The subsidiaries established in the PRC are subject to income taxes at tax rates ranging between 15% and 25% (2019: 15% and 25%). Overseas tax is calculated at the rates applicable in the respective jurisdictions.

**10. 除所得稅前(虧損)/溢利(續)**

附註：

- (a) 折舊支出15,047,000港元(二零一九年：26,206,000港元)已計入非銀行及金融業務之銷售成本、58,746,000港元(二零一九年：61,029,000港元)計入銷售及分銷費用以及86,296,000港元(二零一九年：85,915,000港元)計入行政費用。
- (b) 攤銷開支以及研究及開發開支已計入行政費用。

**11. 所得稅開支**

截至二零二零年及二零一九年十二月三十一日止年度，本集團已為若干附屬公司計提香港利得稅撥備，並按估計應課稅溢利16.5%(二零一九年：16.5%)計算。於中國成立之附屬公司須按介乎15%至25%(二零一九年：15%至25%)之所得稅率繳稅。海外稅項按相關司法權區適用稅率計算。

## 11. INCOME TAX EXPENSE (Continued)

The Group is also subject to PRC withholding tax at the rate of 5% or 10% (2019: 5% or 10%) in respect of its PRC sourced income earned, including rental income from properties in the PRC, dividend income derived from PRC incorporated company.

## 11. 所得稅開支(續)

本集團亦就其於中國賺取之收入按稅率5%或10%(二零一九年:5%或10%)繳交中國預扣稅,預扣稅包括來自中國物業之租金收入及產生自中國註冊成立公司之股息收入。

|                                     |              | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|-------------------------------------|--------------|----------------------------------|----------------------------------|
| Current tax for the year            | 年內即期稅項       |                                  |                                  |
| Hong Kong                           | 香港           | 577                              | 669                              |
| PRC                                 | 中國           | 24,883                           | 45,149                           |
| Liechtenstein                       | 列支敦士登        | 6,767                            | 25,027                           |
| Switzerland                         | 瑞士           | 1,527                            | 1,122                            |
| Deferred tax for the year (note 39) | 年內遞延稅項(附註39) | (8,578)                          | (511)                            |
| Total income tax expense            | 所得稅開支總額      | 25,176                           | 71,456                           |

Reconciliation between income tax expense and accounting (loss)/profit at applicable tax rates:

按適用稅率計算之所得稅開支與會計(虧損)/溢利之對賬:

|   |                                    | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|------------------------------------|----------------------------------|----------------------------------|
| (Loss)/profit before income tax   | 除所得稅前(虧損)/溢利                       | (133,653)                        | 142,637                          |
| Tax on (loss)/profit before income tax, calculated at the rates applicable to the tax jurisdictions concerned | 除所得稅前(虧損)/溢利之稅項(根據相關稅務司法權區適用之稅率計算) | (23,071)                         | 36,473                           |
| Tax effect of non-taxable income  | 毋須課稅收入之稅務影響                        | (11,087)                         | (8,733)                          |
| Tax effect of non-deductible expenses   | 不可扣稅開支之稅務影響                        | 8,893                            | 7,094                            |
| Effect of change in tax rate (note)   | 稅率變動之影響(附註)                        | (7,960)                          | -                                |
| Tax effect of tax losses not recognised   | 未確認稅項虧損之稅務影響                       | 58,401                           | 36,622                           |
| Total income tax expense  | 所得稅開支總額                            | 25,176                           | 71,456                           |

Note: The tax rate applicable to the subsidiaries of the Group in Switzerland has changed from 19.8% to 15% with effective from 1 January 2020.

附註:本集團於瑞士之附屬公司之適用稅率由19.8%變更為15%,自二零二零年一月一日起生效。

## 12. DISPOSAL OF A SUBSIDIARY

On 4 May 2020, the Group redeemed 3,840 shares of Metasequoia Investment Fund SPC – Global Opportunities Fund SP for USD5,907,000 (equivalents to HK\$45,794,000). The Group recognised a gain on disposal of approximately HK\$405,000. Details of the Group's gain on disposal of Metasequoia Investment Fund SPC – Global Opportunities Fund SP for the year ended 31 December 2020 were set out as follows:

|  |              | HK\$'000<br>千港元 |
|--|--------------|-----------------|
| Net assets disposed of:                              | 出售資產淨值：      |                 |
| Trading portfolio investments                        | 交易組合投資       | 60,879          |
| Cash and deposits                                    | 現金及存款        | 55,992          |
| Other assets   | 其他資產         | 19,126          |
| Other liabilities                                    | 其他負債         | (21,638)        |
|  |              | <b>114,359</b>  |
| Non-controlling interests                            | 非控股權益        | (54,638)        |
|  |              | <b>59,721</b>   |
| Release of exchange reserve upon disposal            | 於出售後解除外匯儲備   | 405             |
|  |              | <b>60,126</b>   |
| Less: proceeds from disposal                         | 減：出售所得款項     | (45,794)        |
| Fair value of trading portfolio investments retained | 保留交易組合投資之公平值 | (13,927)        |
|  |              | <b>405</b>      |
| Gain on disposal                                     | 出售之收益        | <b>405</b>      |

|  |                          | HK\$'000<br>千港元 |
|--|--------------------------|-----------------|
| Net cash outflow arising on disposal:                | 出售產生之現金流出淨額：             |                 |
| Cash consideration received                          | 已收現金代價                   | 45,794          |
| Less: cash and deposits disposed of                  | 減：所出售之現金及存款              | (55,992)        |
|  |                          | <b>(10,198)</b> |
| Net cash outflow for the year ended 31 December 2020 | 截至二零二零年十二月三十一日止年度之現金流出淨額 | <b>(10,198)</b> |

## 13. DIVIDENDS

The directors do not recommend the payment of dividend for the year ended 31 December 2020 (2019: Nil).

## 12. 出售一間附屬公司

於二零二零年五月四日，本集團贖回水杉資產基金－環球機會基金之3,840股股份，代價為5,907,000美元（相當於45,794,000港元）。本集團確認出售收益約405,000港元。有關本集團於截至二零二零年十二月三十一日止年度出售水杉資產基金－環球機會基金之收益詳情載列如下：

## 13. 股息

董事不建議就截至二零二零年十二月三十一日止年度派付股息（二零一九年：無）。

## 14. (LOSS)/EARNINGS PER SHARE

The calculations of basic and diluted (loss)/earnings per share attributable to owners of the Company are based on the following data:

|  |   | 2020<br>二零二零年<br>HK\$'000<br>千港元                           | 2019<br>二零一九年<br>HK\$'000<br>千港元                           |
|--|---|--|--|
| <b>(Loss)/earnings</b><br>(Loss)/profit attributable to owners of the Company for the purpose of calculating basic and diluted (loss)/earnings per share | <b>(虧損)／盈利</b><br>計算每股基本及攤薄(虧損)／盈利所依據之本公司擁有人應佔(虧損)／溢利 | <b>(169,233)</b>   | 44,246   |
|  |   | 2020<br>二零二零年<br>Number<br>of shares<br>股份數目<br>'000<br>千股 | 2019<br>二零一九年<br>Number<br>of shares<br>股份數目<br>'000<br>千股 |
| <b>Number of shares</b><br>Weighted average number of shares for the purpose of calculating basic and diluted (loss)/earnings per share                  | <b>股份數目</b><br>計算每股基本及攤薄(虧損)／盈利所依據之加權平均股數             | <b>4,351,889</b>   | 4,351,889  |

The diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share, as the Group has no dilutive potential shares for the year ended 31 December 2020 and 2019.

## 14. 每股(虧損)／盈利

本公司擁有人應佔每股基本及攤薄(虧損)／盈利乃根據以下數據計算：

由於本集團於截至二零二零年及二零一九年十二月三十一日止年度概無攤薄潛在股份，故每股攤薄(虧損)／盈利與每股基本(虧損)／盈利相同。

## 15. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

### 15.1 Employee benefit expense

|                    |       | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--------------------|-------|----------------------------------|----------------------------------|
| Wages and salaries | 工資及薪金 | 544,917                          | 668,256                          |
| Pension costs      | 退休金成本 | 69,580                           | 91,002                           |
|                    |       | <b>614,497</b>                   | <b>759,258</b>                   |

Employee costs, including directors' emoluments, of HK\$54,964,000 (2019: HK\$92,791,000) has been included in cost of sales from non-banking and financial businesses, HK\$160,654,000 (2019: HK\$255,167,000) in selling and distribution expenses and HK\$398,879,000 (2019: HK\$411,300,000) in administrative expenses.

### 15.2 Defined benefit pension plans

|                                 |          | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---------------------------------|----------|----------------------------------|----------------------------------|
| Net defined benefit obligations | 定額福利責任淨額 | 113,354                          | 90,908                           |

Net defined benefit liability has been included in "other liabilities" (see note 40) in the consolidated statement of financial position.

The defined benefit pension plans are primarily arising from Eterna AG Uhrenfabrik and its subsidiaries (together the "Eterna Group"), Montres Corum Sàrl and its subsidiaries (together the "Corum Group"), Bendura Bank AG and its subsidiaries (the "Bendura Group"), and also Ernest Borel Holdings Limited and its subsidiaries ("Ernest Borel Group"). The Group makes contributions to the defined benefit pension plans that provide post-retirement benefits for employees upon retirement. Under the schemes, the employees in Switzerland and Liechtenstein are entitled to retirement benefits based on the plan assets accumulated on attainment of the retirement age and a fixed annual rate. Since there is potential down-side risk for the employer to pay additional contributions in case the plan has a deficit, plans in Switzerland and Liechtenstein are classified as defined benefit pension plans.

## 15. 僱員福利開支(包括董事酬金)

### 15.1 僱員福利開支

|                    |       | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--------------------|-------|----------------------------------|----------------------------------|
| Wages and salaries | 工資及薪金 | 544,917                          | 668,256                          |
| Pension costs      | 退休金成本 | 69,580                           | 91,002                           |
|                    |       | <b>614,497</b>                   | <b>759,258</b>                   |

僱員成本(包括董事酬金)54,964,000港元(二零一九年:92,791,000港元)已計入非銀行及金融業務之銷售成本、160,654,000港元(二零一九年:255,167,000港元)已計入銷售及分銷費用以及398,879,000港元(二零一九年:411,300,000港元)已計入行政費用。

### 15.2 定額退休金福利計劃

|                                 |          | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---------------------------------|----------|----------------------------------|----------------------------------|
| Net defined benefit obligations | 定額福利責任淨額 | 113,354                          | 90,908                           |

定額福利責任淨額已計入綜合財務狀況表「其他負債」(見附註40)項下。

定額退休金福利計劃主要來自Eterna AG Uhrenfabrik及其附屬公司(統稱「綺年華集團」)、Montres Corum Sàrl及其附屬公司(統稱「崑崙集團」)、富地銀行股份有限公司及其附屬公司(「富地集團」)以及依波路控股有限公司及其附屬公司(「依波路集團」)。本集團向定額退休金福利計劃作出供款，為僱員於退休時提供退休後福利。根據計劃，瑞士及列支敦士登僱員可享有退休福利，乃根據達到退休年齡及固定年率所累計之計劃資產釐定。由於一旦計劃出現赤字，僱主須支付額外供款，導致潛在損失風險，故瑞士及列支敦士登計劃分類為定額退休金福利計劃。

## 15. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

### 15.2 Defined benefit pension plans (Continued)

The latest independent actuarial valuations of plan assets and the present value of the defined benefit obligation on the Eterna Group were carried out at 31 December 2020 and 2019 by Patrick Bonadei and Victoria Steib, a member of the Swiss Associate of Actuaries in Switzerland, using the projected unit credit method.

The latest independent actuarial valuations of plan assets and the defined benefit obligations on the Corum Group were carried out at 31 December 2020 and 2019 by Nicolas Colozier, a member of the Swiss Associate of Actuaries in Switzerland, using the projected unit credit method.

The latest independent actuarial valuations of plan assets and the defined benefit obligations on the Bendura Group were carried out at 31 December 2020 and 2019 by AXA Pension Solutions AG, a member of Swiss Associate of Actuaries in Switzerland, using the projected unit credit method.

The latest independent actuarial valuations of plan assets and the defined benefit obligations on the Ernest Borel Group were carried out at 31 December 2020 and 2019 by Swiss Life Pension Services AG, a member of the Swiss Associate of Actuaries in Switzerland, using the projected unit credit method.

- (a) The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of its defined benefit plans is as follows:

|  |               | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|---------------|----------------------------------|----------------------------------|
| Present value of defined benefit obligations           | 定額福利責任現值      | 563,407                          | 509,891                          |
| Fair value of plan assets                              | 計劃資產之公平值      | (450,053)                        | (418,983)                        |
| Net liability arising from defined benefit obligations | 定額福利責任產生之負債淨額 | 113,354                          | 90,908                           |

## 15. 僱員福利開支(包括董事酬金)(續)

### 15.2 定額退休金福利計劃(續)

綺年華集團計劃資產之最新獨立精算估值及定額福利責任之現值乃由瑞士 Swiss Associate of Actuaries 之會員 Patrick Bonadei 及 Victoria Steib 於二零二零年及二零一九年十二月三十一日使用預測單位入賬方法進行。

崑崙集團計劃資產之最新獨立精算估值及定額福利責任乃由瑞士 Swiss Associate of Actuaries 之會員 Nicolas Colozier 於二零二零年及二零一九年十二月三十一日使用預測單位入賬方法進行。

富地集團計劃資產之最新獨立精算估值及定額福利責任乃由瑞士 Swiss Associate of Actuaries 之會員 AXA Pension Solutions AG 於二零二零年及二零一九年十二月三十一日使用預測單位入賬方法進行。

依波路集團計劃資產之最新獨立精算估值及定額福利責任乃由瑞士 Swiss Associate of Actuaries 之會員 Swiss Life Pension Services AG 於二零二零年及二零一九年十二月三十一日使用預測單位入賬方法進行。

- (a) 計入綜合財務狀況表之本集團就其定額福利計劃責任所產生之金額如下：



## 15. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

### 15.2 Defined benefit pension plans (Continued)

- (b) Movements in the present value of the defined benefit obligations for both the years ended 31 December 2020 and 2019 are as follows:

|                                   |           | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|-----------------------------------|-----------|----------------------------------|----------------------------------|
| At 1 January                      | 於一月一日     | 509,891                          | 478,397                          |
| Current service costs             | 現時服務成本    | 36,069                           | 30,321                           |
| Past service costs                | 過往服務成本    | (1,381)                          | (4,140)                          |
| Interest cost                     | 利息成本      | 1,199                            | 4,077                            |
| Actuarial (gains)/loss            | 精算(收益)/虧損 | (7,830)                          | 17,254                           |
| Benefits paid                     | 已付福利      | (35,680)                         | (36,110)                         |
| Contribution by plan participants | 計劃參與者供款   | 14,100                           | 14,132                           |
| Exchange realignment              | 匯兌調整      | 47,039                           | 5,960                            |
| At 31 December                    | 於十二月三十一日  | 563,407                          | 509,891                          |

- (c) Movements in the fair value of the plan assets for both the years ended 31 December 2020 and 2019 are as follows:

|                                    |          | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|------------------------------------|----------|----------------------------------|----------------------------------|
| At 1 January                       | 於一月一日    | 418,983                          | 395,257                          |
| Interest income                    | 利息收入     | 637                              | 118                              |
| Return on plan assets              | 計劃資產之回報  | (4,228)                          | 21,086                           |
| Contributions by the employers     | 僱主供款     | 18,328                           | 17,917                           |
| Contributions by plan participants | 計劃參與者供款  | 14,112                           | 14,124                           |
| Benefit paid                       | 已付福利     | (35,680)                         | (36,110)                         |
| Exchange realignment               | 匯兌調整     | 37,901                           | 6,591                            |
| At 31 December                     | 於十二月三十一日 | 450,053                          | 418,983                          |

## 15. 僱員福利開支(包括董事酬金)(續)

### 15.2 定額退休金福利計劃(續)

- (b) 截至二零二零年及二零一九年十二月三十一日止兩個年度定額福利計劃責任現值變動如下：

- (c) 截至二零二零年及二零一九年十二月三十一日止兩個年度計劃資產公平值變動如下：

## 15. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

### 15.2 Defined benefit pension plans (Continued)

- (d) Amounts recognised in the consolidated statement of comprehensive income in respect of these defined benefit plans are as follows:

|   |                          | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|--------------------------|----------------------------------|----------------------------------|
| Service cost:   | 服務成本：                    |                                  |                                  |
| Current service costs   | 現時服務成本                   | 36,069                           | 30,321                           |
| Past services costs   | 過往服務成本                   | (1,381)                          | (4,140)                          |
| Net interest expense  | 利息開支淨額                   | 562                              | 3,959                            |
| Components of defined benefit costs recognised in profit or loss                  | 於溢利或虧損中確認之定額福利成本之組成部分    | 35,250                           | 30,140                           |
| Remeasurement on the net defined benefit obligations:                             | 重新計量定額福利責任淨額：            |                                  |                                  |
| Return on plan assets   | 計劃資產之回報                  | (4,228)                          | 21,086                           |
| Actuarial gains/(losses)  | 精算收益／(虧損)                | 7,830                            | (17,254)                         |
| Deferred tax arising on remeasurement of the net defined benefit liability        | 重新計量定額福利責任淨額之遞延稅項        | 44                               | (1,342)                          |
| Components of defined benefit costs recognised in other comprehensive income, net | 於其他全面收入中確認之定額福利成本之組成部分淨額 | 3,646                            | 2,490                            |

The defined benefit cost of HK\$35,250,000 (2019: HK\$30,140,000) has been included in the administrative expenses. The remeasurement of the net defined benefit obligation is included in other comprehensive income.

## 15. 僱員福利開支(包括董事酬金)(續)

### 15.2 定額退休金福利計劃(續)

- (d) 就該等定額福利計劃於綜合全面收入表內確認之金額如下：

定額福利成本35,250,000港元(二零一九年：30,140,000港元)已計入行政費用。重新計量定額福利責任淨額計入其他全面收入。

## 15. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

### 15.2 Defined benefit pension plans (Continued)

- (e) The major categories of the fair value of the plan assets at the end of reporting period are as follows:

|                         |        | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|-------------------------|--------|----------------------------------|----------------------------------|
| Equity instruments      | 股本工具   | 109,208                          | 108,556                          |
| Debt instruments        | 債務工具   | 165,336                          | 141,967                          |
| Properties              | 物業     | 116,842                          | 97,030                           |
| Commodities instruments | 商品工具   | 3,048                            | 3,187                            |
| Assets from reinsurance | 重新保險資產 | 7,942                            | 8,508                            |
| Hedge funds             | 對沖基金   | 14,109                           | 24,783                           |
| Cash                    | 現金     | 33,021                           | 33,453                           |
| Other                   | 其他     | 547                              | 1,499                            |
|                         |        | <b>450,053</b>                   | <b>418,983</b>                   |

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets whereas the fair value of properties, commodities instruments, assets from reinsurance and hedge funds are not based on quoted market prices in active markets.

- (f) The principal assumption used for the purpose of the actuarial valuations was as follows:

|                                     |        | 2020<br>二零二零年 | 2019<br>二零一九年 |
|-------------------------------------|--------|---------------|---------------|
| Discount rate(s)                    | 貼現率    | 0.10%-0.20%   | 0.15%-0.25%   |
| Expected rate(s) of salary increase | 預期薪金增幅 | 0.1%-1.0%     | 0.5%-1.0%     |

## 15. 僱員福利開支(包括董事酬金)(續)

### 15.2 定額退休金福利計劃(續)

- (e) 於報告期末計劃資產公平值之主要類別如下：

上述股本及債務工具之公平值按活躍市場之市場報價釐定，而物業、商品工具、重新保險資產及對沖基金之公平值並非按活躍市場之市場報價釐定。

- (f) 用於精算評估目的之主要假設如下：

## 15. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

### 15.2 Defined benefit pension plans (Continued)

#### (g) Sensitivity analysis on defined benefit pension plans

Significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary rate of increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 50 basis points higher/ (lower), the defined benefit obligation would decrease by HK\$43,803,000 (2019: HK\$31,850,000)/increase by HK\$51,121,000 (2019: HK\$58,363,000).
- If the expected salary rate of increase/ (decreases) by 50 basis points, the defined benefit obligations would increase by HK\$8,267,000 (2019: HK\$17,474,000)/decrease by HK\$7,731,000 (2019: HK\$2,543,000).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit liability recognised in the consolidated statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

## 15. 僱員福利開支(包括董事酬金) (續)

### 15.2 定額退休金福利計劃(續)

#### (g) 定額退休金福利計劃之敏感度分析

釐定定額福利責任之主要精算假設為貼現率及預期薪金增幅比率。下文之敏感度分析乃按當所有其他假設保持不變時，報告期末所產生有關假設合理可能變動而釐定。

- 倘貼現率上升／(下降) 50個基點，定額福利責任將減少43,803,000港元(二零一九年：31,850,000港元)／增加51,121,000港元(二零一九年：58,363,000港元)。
- 倘預期薪金增幅比率增加／(減少) 50個基點，定額福利責任將增加8,267,000港元(二零一九年：17,474,000港元)／減少7,731,000港元(二零一九年：2,543,000港元)。

上述敏感度分析可能並不代表定額福利責任之實際變化，原因為若干假設可能彼此關聯，假設中之變化不大可能單獨出現。

此外，就上述敏感度分析之呈列，於報告期末定額福利責任之現值使用預測單位入賬方法計算，即與於綜合財務狀況表中所確認定額福利負債之計算所應用者相同。

過往年度用以制定敏感度分析之方法及假設概無變動。

## 16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

### 16.1 Directors' emoluments

Details of emoluments of the directors of the Company in connection with the management of affairs of the Company and its subsidiaries are set out below:

## 16. 董事酬金及高級管理層酬金

### 16.1 董事酬金

有關管理本公司及其附屬公司事宜之本公司董事酬金之詳情載列如下：

|  |                              | Directors' fees | Salaries, allowances and benefits in kind<br>薪金、津貼及實物福利 | Contributions to pension scheme<br>退休金計劃供款 | Total          |
|--|------------------------------|-----------------|---|--|----------------|
|  |                              | HK\$'000<br>千港元 | HK\$'000<br>千港元   | HK\$'000<br>千港元                            | HK\$000<br>千港元 |
| <b>2020</b>                                | <b>二零二零年</b>                 |                 |   |  |                |
| <b>Executive directors</b>                 | <b>執行董事</b>                  |                 |   |  |                |
| Mr. Hon Kwok Lung                          | 韓國龍先生                        | -               | 2,025   | 18   | 2,043          |
| Mr. Shang Jianguang                        | 商建光先生                        | -               | 4,571   | 96   | 4,667          |
| Mr. Shi Tao*                               | 石濤先生*                        | -               | 1,612   | 18   | 1,630          |
| Mr. Lam Toi Man                            | 林代文先生                        | -               | 1,364   | 18   | 1,382          |
| Mr. Bi Bo                                  | 畢波先生                         | -               | 1,389   | 18   | 1,407          |
| Ms. Sit Lai Hei                            | 薛黎曦女士                        | -               | 1,364   | 18   | 1,382          |
| Mr. Hon Hau Wong                           | 韓孝煌先生                        | -               | 1,364   | 18   | 1,382          |
| Mr. Teguh Halim                            | Teguh Halim 先生               | -               | 4,240   | 148  | 4,388          |
| <b>Independent non-executive directors</b> | <b>獨立非執行董事</b>               |                 |   |  |                |
| Mr. Fung Tze Wa**                          | 馮子華先生**                      | 190             | -   | -  | 190            |
| Dr. Kwong Chun Wai, Michael                | 鄺俊偉博士                        | 151             | -   | -  | 151            |
| Mr. Zhang Bin                              | 張斌先生                         | 151             | -   | -  | 151            |
| Mr. Rudolf Heinrich Escher***              | Rudolf Heinrich Escher 先生*** | 191             | -   | -  | 191            |
| Mr. Li Ziqing^                             | 李子卿先生^                       | 31              | -   | -  | 31             |
| Mr. Kam, Eddie Shing Cheuk#                | 甘承倬先生#                       | 31              | -   | -  | 31             |
|  |                              | <b>745</b>      | <b>17,929</b>   | <b>352</b>                                 | <b>19,026</b>  |

## 16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

### 16.1 Directors' emoluments (Continued)

|  |                           | Directors' fees | Salaries, allowances and benefits in kind | Contributions to pension scheme | Total    |
|--|---------------------------|-----------------|---|---------------------------------|----------|
|  |                           | HK\$'000        | HK\$'000                                  | HK\$'000                        | HK\$'000 |
|  |                           | 千港元             | 千港元                                       | 千港元                             | 千港元      |
| <b>2019</b>                                | <b>二零一九年</b>              |                 |   |                                 |          |
| <b>Executive directors</b>                 | <b>執行董事</b>               |                 |   |                                 |          |
| Mr. Hon Kwok Lung                          | 韓國龍先生                     | –               | 2,084                                     | 18                              | 2,102    |
| Mr. Shang Jianguang                        | 商建光先生                     | –               | 14,077                                    | 96                              | 14,173   |
| Mr. Shi Tao*                               | 石濤先生*                     | –               | 1,810                                     | 18                              | 1,828    |
| Mr. Lam Toi Man                            | 林代文先生                     | –               | 1,430                                     | 18                              | 1,448    |
| Mr. Bi Bo                                  | 畢波先生                      | –               | 1,456                                     | 18                              | 1,474    |
| Ms. Sit Lai Hei                            | 薛黎曦女士                     | –               | 1,430                                     | 18                              | 1,448    |
| Mr. Hon Hau Wong                           | 韓孝煌先生                     | –               | 1,430                                     | 18                              | 1,448    |
| Mr. Teguh Halim                            | Teguh Halim 先生            | –               | 4,342                                     | 143                             | 4,485    |
| <b>Independent non-executive directors</b> | <b>獨立非執行董事</b>            |                 |   |                                 |          |
| Mr. Fung Tze Wa                            | 馮子華先生                     | 200             | –   | –                               | 200      |
| Dr. Kwong Chun Wai, Michael                | 鄺俊偉博士                     | 150             | –   | –                               | 150      |
| Mr. Zhang Bin                              | 張斌先生                      | 150             | –   | –                               | 150      |
| Mr. Rudolf Heinrich Escher                 | Rudolf Heinrich Escher 先生 | 200             | –   | –                               | 200      |
|  |                           | 700             | 28,059                                    | 347                             | 29,106   |

#### Notes:

There was no arrangement under which a director waived or agreed to waive any remunerations during the year ended 31 December 2020 (2019: nil).

\* Save as disclosed in the above table, the Group also provided a quarter to the executive director, Mr. Shi Tao at HK\$10,000 monthly rental (2019: HK\$10,000). The carrying amount of the Group's investment property which was rented to the executive director as quarter as at 31 December 2019 was HK\$27,400,000. The lease arrangement has been terminated on 31 October 2020.

\*\* Mr. Fung Tze Wa has resigned as an independent non-executive director of the Company with effect from 1 September 2020.

\*\*\* Mr. Rudolf Heinrich Escher has resigned as an independent non-executive director of the Company with effect from 1 September 2020.

^ Mr. Li Ziqing has been appointed as an independent non-executive director of the Company with effect from 6 November 2020.

# Mr. Kam, Eddie Shing Cheuk has been appointed as an independent non-executive director of the Company with effect from 6 November 2020.

## 16. 董事酬金及高級管理層酬金 (續)

### 16.1 董事酬金 (續)

|  | Directors' fees | Salaries, allowances and benefits in kind | Contributions to pension scheme | Total    |
|--|-----------------|---|---------------------------------|----------|
|  | HK\$'000        | HK\$'000                                  | HK\$'000                        | HK\$'000 |
|  | 千港元             | 千港元                                       | 千港元                             | 千港元      |

|  |                           |     |        |        |
|--|---------------------------|-----|--------|--------|
| <b>2019</b>                                | <b>二零一九年</b>              |     |        |        |
| <b>Executive directors</b>                 | <b>執行董事</b>               |     |        |        |
| Mr. Hon Kwok Lung                          | 韓國龍先生                     | –   | 2,084  | 18     |
| Mr. Shang Jianguang                        | 商建光先生                     | –   | 14,077 | 96     |
| Mr. Shi Tao*                               | 石濤先生*                     | –   | 1,810  | 18     |
| Mr. Lam Toi Man                            | 林代文先生                     | –   | 1,430  | 18     |
| Mr. Bi Bo                                  | 畢波先生                      | –   | 1,456  | 18     |
| Ms. Sit Lai Hei                            | 薛黎曦女士                     | –   | 1,430  | 18     |
| Mr. Hon Hau Wong                           | 韓孝煌先生                     | –   | 1,430  | 18     |
| Mr. Teguh Halim                            | Teguh Halim 先生            | –   | 4,342  | 143    |
| <b>Independent non-executive directors</b> | <b>獨立非執行董事</b>            |     |        |        |
| Mr. Fung Tze Wa                            | 馮子華先生                     | 200 | –      | –      |
| Dr. Kwong Chun Wai, Michael                | 鄺俊偉博士                     | 150 | –      | –      |
| Mr. Zhang Bin                              | 張斌先生                      | 150 | –      | –      |
| Mr. Rudolf Heinrich Escher                 | Rudolf Heinrich Escher 先生 | 200 | –      | –      |
|  |                           | 700 | 28,059 | 347    |
|  |                           |     |        | 29,106 |

#### 附註：

截至二零二零年十二月三十一日止年度，並無董事放棄或同意放棄任何酬金之安排(二零一九年：無)。

\* 除上表所披露者外，本集團亦為執行董事石濤先生提供一間宿舍，月租為10,000港元(二零一九年：10,000港元)。於二零一九年十二月三十一日，租予執行董事作宿舍之本集團投資物業之賬面值為27,400,000港元。該租賃協議已於二零二零年十月三十一日終止。

\*\* 馮子華先生已辭任本公司之獨立非執行董事，自二零二零年九月一日起生效。

\*\*\* Rudolf Heinrich Escher 先生已辭任本公司之獨立非執行董事，自二零二零年九月一日起生效。

^ 李子卿先生已獲委任為本公司之獨立非執行董事，自二零二零年十一月六日起生效。

# 甘承偉先生已獲委任為本公司之獨立非執行董事，自二零二零年十一月六日起生效。



## 16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

### 16.2 Five highest paid individuals

The five highest paid individuals of the Group during the year included two (2019: two) directors, details of whose remuneration are reflected in the analysis presented in note 16.1. Details of the remuneration of the remaining three (2019: three) non-director, highest paid individuals of the Group for the year are as follows:

|   |            | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|------------|----------------------------------|----------------------------------|
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 | 13,958                           | 12,013                           |
| Contribution to pension scheme            | 退休金計劃供款    | 938                              | 862                              |
|   |            | <b>14,896</b>                    | <b>12,875</b>                    |

The emoluments of non-director highest paid individuals were within following bands:

|                                |                            | 2020<br>二零二零年<br>No. of<br>individuals<br>人數 | 2019<br>二零一九年<br>No. of<br>individuals<br>人數 |
|--------------------------------|----------------------------|--|--|
| HK\$3,500,001 to HK\$4,000,000 | 3,500,001 港元至 4,000,000 港元 | -  | 1  |
| HK\$4,000,001 to HK\$4,500,000 | 4,000,001 港元至 4,500,000 港元 | 1  | 1  |
| HK\$4,500,001 to HK\$5,000,000 | 4,500,001 港元至 5,000,000 港元 | 1  | 1  |
| HK\$5,500,001 to HK\$6,000,000 | 5,500,001 港元至 6,000,000 港元 | 1  | -  |
|                                |                            | <b>3</b>                                     | <b>3</b>                                     |

No emolument was paid by the Group to the directors or the three (2019: three) highest paid employee(s) as an inducement to join or upon joining the Group, or as compensation for loss of office (2019: nil).

## 16. 董事酬金及高級管理層酬金 (續)

### 16.2 五名最高酬金人士

年內，本集團五名最高薪人士包括兩名(二零一九年：兩名)董事，彼等酬金詳情反映於附註16.1所列分析。年內本集團餘下三名(二零一九年：三名)非董事最高薪人士酬金詳情如下：

非董事最高薪人士之薪金介乎以下級別：

本集團並無向董事或三名(二零一九年：三名)最高薪僱員支付酬金作為加入或於加入本集團時之獎勵，或作為離職補償(二零一九年：無)。

## 16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

### 16.3 Emoluments to members of senior management

The emoluments to members of senior management (excluding the remunerations to directors which have been disclosed in note 16.1 above) were within the following bands:

|                                |                            | 2020<br>二零二零年<br>No. of<br>individuals<br>人數 | 2019<br>二零一九年<br>No. of<br>individuals<br>人數 |
|--------------------------------|----------------------------|--|--|
| HK\$1,500,001 to HK\$2,000,000 | 1,500,001 港元至 2,000,000 港元 | 1  | 1  |
| HK\$2,000,001 to HK\$2,500,000 | 2,000,001 港元至 2,500,000 港元 | 1  | -  |
| HK\$4,000,001 to HK\$4,500,000 | 4,000,001 港元至 4,500,000 港元 | -  | 1  |
| HK\$4,500,001 to HK\$5,000,000 | 4,500,001 港元至 5,000,000 港元 | 1  | -  |
|                                |                            | <b>3</b>                                     | <b>2</b>                                     |

## 17. CASH AND DEPOSITS

## 16. 董事酬金及高級管理層酬金 (續)

### 16.3 高級管理層成員酬金

高級管理層成員酬金 (不包括已於上文附註 16.1 披露之董事酬金) 介乎以下級別：

## 17. 現金及存款

|   |                            | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|----------------------------|----------------------------------|----------------------------------|
| Cash and bank balances (note (a), (b) and (c))  | 現金及銀行結餘 (附註 (a)、(b) 及 (c)) | 303,644                          | 329,377                          |
| Cash held on behalf of clients (note (d))       | 代客戶持有之現金 (附註 (d))          | 110,985                          | 104,227                          |
| Sight deposits with central banks (note (e))    | 中央銀行之活期存款 (附註 (e))         | 5,198,016                        | 4,463,642                        |
|   |                            | <b>5,612,645</b>                 | <b>4,897,246</b>                 |
| Cash and deposits as per above                  | 上文現金及存款                    | <b>5,612,645</b>                 | 4,897,246                        |
| Less: Cash held on behalf of clients (note (d)) | 減：代客戶持有之現金 (附註 (d))        | <b>(110,985)</b>                 | (104,227)                        |
| Pledged bank deposits (note (c))                | 已質押銀行存款 (附註 (c))           | -                                | (111,763)                        |
| Restricted bank deposits (note (c))             | 受限制銀行存款 (附註 (c))           | <b>(1,354)</b>                   | (1,260)                          |
|   |                            | <b>5,500,306</b>                 | <b>4,679,996</b>                 |

Notes:

- (a) Except for pledged bank deposits, cash at bank earns interest at the floating rates based on the daily bank deposits rates.
- (b) Included in cash and bank balances of the Group are the amount of approximately HK\$119,402,000 (2019: HK\$231,326,000) denominated in RMB which are placed with the banks in the PRC. RMB is not freely convertible into other currencies. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB into foreign currencies through the banks authorised to conduct foreign exchange business.

附註：

- (a) 除已質押銀行存款外，銀行現金按每日銀行存款利率計算之浮動利率計息。
- (b) 本集團現金及銀行結餘包括為數約 119,402,000 港元 (二零一九年：231,326,000 港元) 以人民幣計值存於中國之銀行之款額。人民幣不得自由兌換為其他貨幣。根據中國關於外匯管理及結匯、售匯及付匯管理規定，本集團可透過獲授權進行外匯業務之銀行將人民幣兌換為外幣。

## 17. CASH AND DEPOSITS (Continued)

Notes: (Continued)

- (c) As at 31 December 2019, included in cash and bank balance of the Group of HK\$111,763,000 are pledged bank deposits pledged as securities for the Group's banking facilities, the pledge has been released during the year ended 31 December 2020. There is no pledged bank deposits as at 31 December 2020. The pledged bank deposits carried interests at 3.6% per annum for the year ended 31 December 2019. As at 31 December 2020, included in cash and bank balance of the Group of HK\$1,354,000 (2019: HK\$1,260,000) are restricted bank deposits.
- (d) In respect of the Group's financial business of securities dealing, the Group maintains segregated trusts accounts with authorised financial institutions to hold client's monies. The Group classifies clients' monies under cash and deposits in the consolidated statement of financial position and has recognised the corresponding balances due to cash and margin clients separately under trade payables (note 33) on the grounds that the Group is liable for any loss or misappropriation of clients' monies and does not have a currently enforceable right to offset those payables with the deposits placed.
- (e) These balances with central banks represent sight deposits placed by the Bendura Group and they can be withdrawn immediately without any restrictions.
- (f) As at 31 December 2020, cash and deposits of HK\$5,338,687,000 (2019: HK\$4,596,950,000) are attributable to banking and financial businesses.

## 17. 現金及存款 (續)

附註：(續)

- (c) 於二零一九年十二月三十一日，本集團現金及銀行結餘為數111,763,000港元。質押作本集團銀行融資的已質押銀行存款，而質押已於截至二零二零年十二月三十一日止年度解除。於二零二零年十二月三十一日，概無已質押銀行存款。截至二零一九年十二月三十一日止年度，該等已質押銀行存款按年利率3.6%計息。於二零二零年十二月三十一日，本集團的現金及銀行結餘中1,354,000港元（2019年：1,260,000港元）為受限制銀行存款。
- (d) 就本集團證券買賣之金融業務而言，本集團於獲授權金融機構開設獨立信託賬戶以持有客戶款項。本集團於綜合財務狀況表內將客戶款項分類為現金及存款，並根據其須就客戶款項之任何損失或挪用任何金額負責之基礎而確認為應付賬款項下各自應付予相關客戶之現金及保證金之相應結餘（附註33），且本集團現時並無可強制執行之權利動用其所存放之存款以抵銷有關應付賬款。
- (e) 該等中央銀行結餘指富地集團所存放之活期存款，可即時提取而無任何限制。
- (f) 於二零二零年十二月三十一日，現金及存款5,338,687,000港元（二零一九年：4,596,950,000港元）乃來自銀行及金融業務。

## 18. DUE FROM BANKS AND CLIENTS

## 18. 應收銀行及客戶款項

|  |                  | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|------------------|----------------------------------|----------------------------------|
| Due from clients – mortgage loans                    | 應收客戶款項 – 按揭貸款    | 1,476,436                        | 1,257,514                        |
| Due from clients – other                             | 應收客戶款項 – 其他      | 994,955                          | 844,704                          |
| Valuation adjustments for default risk<br>(note (b)) | 違約風險估值調整 (附註(b)) | (8,166)                          | (8,968)                          |
| <b>Total due from clients</b>                        | <b>應收客戶款項總額</b>  | <b>2,463,225</b>                 | <b>2,093,250</b>                 |
| Due from banks on a daily basis                      | 應收銀行日常款項         | 5,229,597                        | 4,720,429                        |
| Due from banks other claims                          | 應收銀行其他申索         | 238,021                          | 182,006                          |
| Valuation adjustments for default risk<br>(note (b)) | 違約風險估值調整 (附註(b)) | (1,358)                          | (1,237)                          |
| <b>Total due from banks</b>                          | <b>應收銀行款項總額</b>  | <b>5,466,260</b>                 | <b>4,901,198</b>                 |

Notes:

附註：

(a) Reconciliation of gross carrying amount for due from banks and clients are as follow:

(a) 應收銀行及客戶款項總賬面值之對賬如下：

|  |                                     | Stage 1<br>第1階段<br>HK\$'000<br>千港元 | Stage 2<br>第2階段<br>HK\$'000<br>千港元 | Stage 3<br>第3階段<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|--|-------------------------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------|
| As at 1 January 2019                         | 於二零一九年一月一日                          | 4,970,049                          | –                                  | 5,147                              | 4,975,196                      |
| Net financial assets originated              | 原自金融資產淨值                            | 1,934,540                          | –                                  | –                                  | 1,934,540                      |
| Amounts written-off                          | 已撤銷金額                               | –                                  | –                                  | (1,455)                            | (1,455)                        |
| Exchange realignment                         | 匯兌調整                                | 96,334                             | –                                  | 38                                 | 96,372                         |
| As at 31 December 2019 and<br>1 January 2020 | 於二零一九年十二月<br>三十一日及<br>二零二零年<br>一月一日 | 7,000,923                          | –                                  | 3,730                              | 7,004,653                      |
| Net financial assets originated              | 原自金融資產淨值                            | 285,896                            | –                                  | –                                  | 285,896                        |
| Amounts written-off                          | 已撤銷金額                               | –                                  | –                                  | (1,797)                            | (1,797)                        |
| Exchange realignment                         | 匯兌調整                                | 650,028                            | –                                  | 229                                | 650,257                        |
| 31 December 2020                             | 於二零二零年十二月<br>三十一日                   | 7,936,847                          | –                                  | 2,162                              | 7,939,009                      |

## 18. DUE FROM BANKS AND CLIENTS (Continued)

Notes: (Continued)

(b) Movements in the expected credit losses in respect of due from banks and clients are as follows:

|  |                            | Stage 1<br>第1階段<br>HK\$'000<br>千港元 | Stage 2<br>第2階段<br>HK\$'000<br>千港元 | Stage 3<br>第3階段<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|--|----------------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------|
| Balance at 1 January 2019                            | 於二零一九年一月一日之結餘              | 6,775                              | –                                  | 5,147                              | 11,922                         |
| Newly formed valuation adjustments for default risks | 新增違約風險估值調整                 | (357)                              | –                                  | (1,455)                            | (1,812)                        |
| Exchange realignment                                 | 匯兌調整                       | 57                                 | –                                  | 38                                 | 95                             |
| Balance at 31 December 2019 and 1 January 2020       | 於二零一九年十二月三十一日及二零二零年一月一日之結餘 | <b>6,475</b>                       | –                                  | <b>3,730</b>                       | <b>10,205</b>                  |
| Newly formed valuation adjustments for default risks | 新增違約風險估值調整                 | <b>278</b>                         | –                                  | –                                  | <b>278</b>                     |
| Amounts written-off                                  | 撤銷金額                       | –                                  | –                                  | (1,797)                            | (1,797)                        |
| Exchange realignment                                 | 匯兌調整                       | <b>609</b>                         | –                                  | <b>229</b>                         | <b>838</b>                     |
| Balance at 31 December 2020                          | 於二零二零年十二月三十一日之結餘           | <b>7,362</b>                       | –                                  | <b>2,162</b>                       | <b>9,524</b>                   |

(c) Impaired amounts due from banks and clients

|  |               | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|---------------|----------------------------------|----------------------------------|
| Impaired amounts due from banks and clients, gross | 應收銀行及客戶減值款項總額 | <b>9,524</b>                     | 10,205                           |
| Estimated realisation proceeds from collateral     | 估計抵押品變現所得款項   | –                                | –                                |
| Impaired amounts due from banks and clients, net   | 應收銀行及客戶減值款項淨額 | <b>9,524</b>                     | 10,205                           |

(d) Non-performing loans

No interest income impact from non-performing loans was recognised for the year ended 31 December 2020 and 2019.

## 18. 應收銀行及客戶款項 (續)

附註：(續)

(b) 應收銀行及客戶款項之預期信貸虧損變動如下：

|  |                            | Stage 1<br>第1階段<br>HK\$'000<br>千港元 | Stage 2<br>第2階段<br>HK\$'000<br>千港元 | Stage 3<br>第3階段<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|--|----------------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------|
| Balance at 1 January 2019                            | 於二零一九年一月一日之結餘              | 6,775                              | –                                  | 5,147                              | 11,922                         |
| Newly formed valuation adjustments for default risks | 新增違約風險估值調整                 | (357)                              | –                                  | (1,455)                            | (1,812)                        |
| Exchange realignment                                 | 匯兌調整                       | 57                                 | –                                  | 38                                 | 95                             |
| Balance at 31 December 2019 and 1 January 2020       | 於二零一九年十二月三十一日及二零二零年一月一日之結餘 | <b>6,475</b>                       | –                                  | <b>3,730</b>                       | <b>10,205</b>                  |
| Newly formed valuation adjustments for default risks | 新增違約風險估值調整                 | <b>278</b>                         | –                                  | –                                  | <b>278</b>                     |
| Amounts written-off                                  | 撤銷金額                       | –                                  | –                                  | (1,797)                            | (1,797)                        |
| Exchange realignment                                 | 匯兌調整                       | <b>609</b>                         | –                                  | <b>229</b>                         | <b>838</b>                     |
| Balance at 31 December 2020                          | 於二零二零年十二月三十一日之結餘           | <b>7,362</b>                       | –                                  | <b>2,162</b>                       | <b>9,524</b>                   |

(c) 應收銀行及客戶減值款項

|  |               | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|---------------|----------------------------------|----------------------------------|
| Impaired amounts due from banks and clients, gross | 應收銀行及客戶減值款項總額 | <b>9,524</b>                     | 10,205                           |
| Estimated realisation proceeds from collateral     | 估計抵押品變現所得款項   | –                                | –                                |
| Impaired amounts due from banks and clients, net   | 應收銀行及客戶減值款項淨額 | <b>9,524</b>                     | 10,205                           |

(d) 不良貸款

截至二零二零年及二零一九年十二月三十一日止年度，概無確認不良貸款產生之利息收入影響。

## 19. TRADING PORTFOLIO INVESTMENTS

## 19. 交易組合投資

|   |                 | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|-----------------|----------------------------------|----------------------------------|
| <b>Equity instruments</b>                                   | <b>股本工具</b>     |                                  |                                  |
| Listed equity instruments in Hong Kong at market value      | 按市值於香港上市之股本工具   | 649                              | 69,042                           |
| Listed equity instruments outside Hong Kong at market value | 按市值於香港境外上市之股本工具 | 4,522                            | 78,307                           |
| <b>Total equity instrument</b>                              | <b>股本工具總額</b>   | <b>5,171</b>                     | 147,349                          |
| <b>Debt instruments</b>                                     | <b>債務工具</b>     |                                  |                                  |
| Unlisted debt instruments of financial institutions         | 金融機構之非上市債務工具    | 12,938                           | 27,612                           |
| <b>Total debt instruments</b>                               | <b>債務工具總額</b>   | <b>12,938</b>                    | 27,612                           |
| <b>Investment fund units</b>                                | <b>投資基金單位</b>   |                                  |                                  |
| Unlisted investment fund units                              | 非上市投資基金單位       | 55,843                           | 46,758                           |
| <b>Total investment fund units</b>                          | <b>投資基金單位總額</b> | <b>55,843</b>                    | 46,758                           |
| <b>Investment in other financial products</b>               | <b>其他金融產品投資</b> | <b>6,358</b>                     | 6,184                            |
| <b>Total trading portfolio investments</b>                  | <b>交易組合投資總額</b> | <b>80,310</b>                    | 227,903                          |

The investments under trade portfolio investments are held for trading purposes.

Fair value of the listed equity instruments have been determined by reference to their quoted market prices at the reporting date in an active market. Fair value of the listed trading portfolio investments is Level 1 recurring fair value measurement.

Fair value of unlisted debt instruments have been determined using significant inputs, which are market observable, directly or indirectly. The fair value of the unlisted debt investments is Level 2 recurring fair value measurement.

The fair value of unlisted investment funds as at 31 December 2020 and 2019 is Level 3 recurring fair value measurement. The details of assessment are set out in note 50.9 to the consolidated financial statements.

交易組合投資乃持有作買賣用途。

上市股本工具之公平值乃經參考其於報告日在活躍市場所報市價後予以釐定。上市交易組合投資之公平值為第一級經常性公平值計量。

非上市債務投資的公平值乃使用可直接或間接從市場觀察的重大輸入數值釐定。非上市債務投資的公平值屬第二級經常性公平值計量。

於二零二零年及二零一九年十二月三十一日，非上市投資基金的公平值屬第三級經常性公平值計量。評估詳情見綜合財務報表附註50.9。



## 19. TRADING PORTFOLIO INVESTMENTS (Continued)

Other financial products are referring to the insurance policy entered by the Group. The fair value of investments in insurance policies are determined based on the account value as stated in cash surrender value statements issued by insurers. Fair value of other financial products is Level 2 recurring fair value measurement.

There is no transfer under the fair value hierarchy classification for the years ended 31 December 2020 and 2019.

The fair value gain during the year was amounted to HK\$36,162,000 (2019: HK\$20,368,000), which has been recognised in the consolidated statement of comprehensive income as "other ordinary income and other net gains or losses" (note 8) for the year ended 31 December 2020.

No listed equity instruments have been pledged to secure the margin loan payable as at 31 December 2020. As at 31 December 2019, listed equity instruments with an aggregated carrying amount of HK\$109,815,000 have been pledged to secure the margin loan payable (note 36).

## 20. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

|   |                         | Notes<br>附註 | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|-------------------------|-------------|----------------------------------|----------------------------------|
| Listed equity instruments in Hong Kong<br>(note (a))      | 於香港上市之股本工具<br>(附註(a))   | (a)         | 333,207                          | 282,080                          |
| Listed equity instruments outside Hong Kong<br>(note (b)) | 於香港境外上市之股本工<br>具(附註(b)) | (b)         | 131,636                          | 135,176                          |
| Unlisted equity investments                               | 非上市股本投資                 |             | 5,951                            | 5,605                            |
|   |                         |             | <b>470,794</b>                   | <b>422,861</b>                   |

The Group designated its listed equity instruments in or outside Hong Kong and unlisted equity investments at FVOCI as below, as those investments are held for strategic purposes.

## 19. 交易組合投資(續)

其他金融產品指本集團投購的保單。保單投資的公平值按保險公司發出的現金退保單的賬面值釐定。其他金融產品的公平值為第二級經常性公平值計量。

截至二零二零年及二零一九年十二月三十一日止年度，公平值級別間並無轉撥。

本年度之公平值收益為36,162,000港元(二零一九年：20,368,000港元)，已於截至二零二零年十二月三十一日止年度之綜合全面收入表內確認為「其他日常收入及其他收益或虧損淨額」(附註8)。

於二零二零年十二月三十一日，概無上市股本工具已抵押作擔保應付保證金貸款。於二零一九年十二月三十一日，總賬面值為109,815,000港元之上市股本工具已抵押作擔保應付保證金貸款(附註36)。

## 20. 按公平值計入其他全面收入之金融資產

本集團按下列方式將其於香港境內或境外之上市股本工具及非上市股本投資指定為按公平值計入其他全面收入，原因為該等投資乃就策略用途持有。

## 20. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

- (a) As at 31 December 2020, the listed equity investments in Hong Kong represented 14.76% (2019: 14.76%) equity interest in Min Xin Holdings Limited ("Min Xin Shares"). As at 31 December 2020, the Group held 88,150,000 (2019: 88,150,000) Min Xin Shares. A dividend income totalling HK\$8,815,000 (2019: HK\$8,815,000) was recognised by the Group in the consolidated statement of comprehensive income for the year ended 31 December 2020.

Particulars of the Group's investments in Min Xin Shares are as follows:

| Name                                 | Country of incorporation | Particulars of issued shares held | Number of shares held by the Group | Percentage of ownership interest attributable to the Group |
|--------------------------------------|--------------------------|-----------------------------------|------------------------------------|--|
| 名稱                                   | 註冊成立國家                   | 所持已發行股份詳情                         | 本集團所持股份數目                          | 本集團應佔擁有權權益百分比  |
| Min Xin Holdings Limited<br>閩信集團有限公司 | Hong Kong<br>香港          | Ordinary Share<br>普通股             | 88,150,000                         | 14.76%   |

- (b) The listed equity investment at fair value of HK\$131,636,000 (2019: HK\$135,176,000) represented the investment in Citychamp Dartong Company Limited (referred to "Dartong" and its shares referred to as the "Dartong Shares"). During the year, no dividend income (2019: RMB1 per 10 shares totalling HK\$3,448,000) is recognised by the Group in profit or loss in the consolidated statement of comprehensive income for the year ended 31 December 2020.

Mr. Shang Jianguang, Ms. Sit Lai Hei and Mr. Hon Hau Wong, the executive directors of the Company are also the executive directors of Dartong. Dartong is owned as to approximately 33.95% (2019: 33.95%) by Fujian Fengrong Investment Company Limited ("Fengrong"). Ms. Sit Lai Hei and Ms. Lu Xiaojun are the daughters-in-law of Mr. Hon Kwok Lung and the beneficial owners of Fengrong. Mr. Hon Hau Wong, an executive Director of the Company, is the spouse of Ms. Lu Xiaojun.

## 20. 按公平值計入其他全面收入之金融資產(續)

- (a) 於二零二零年十二月三十一日，於香港上市之股本投資指於閩信集團有限公司之14.76%（二零一九年：14.76%）股權（「閩信股份」）。於二零二零年十二月三十一日，本集團持有88,150,000股（二零一九年：88,150,000股）閩信股份。本集團於截至二零二零年十二月三十一日止年度之綜合全面收入表的損益確認閩信股份的股息收入合共8,815,000港元（二零一九年：8,815,000港元）。

本集團於閩信股份的投資詳情如下：

- (b) 按公平值列賬之上市股本投資131,636,000港元（二零一九年：135,176,000港元）指於冠城大通股份有限公司（「大通」），其股份稱為「大通股份」之投資。年內，本集團於截至二零二零年十二月三十一日止年度於綜合全面收入表的損益並無確認股息收入（二零一九年：每10股人民幣1元合共3,448,000港元）。

本公司執行董事商建光先生、薛黎曦女士及韓孝煌先生亦為大通之執行董事。大通由福建豐裕投資有限公司（「豐裕」）持有約33.95%（二零一九年：33.95%）。薛黎曦女士及陸曉珺女士均為韓國龍先生之兒媳婦兼豐裕之實益擁有人。本公司執行董事韓孝煌先生為陸曉珺女士之配偶。

## 20. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

(b) (Continued)

Particulars of the Group's investments in Dartong Shares are as follows:

| Name  | Country of incorporation | Particulars of issued shares held | Number of shares held by the Group | Percentage of ownership interest attributable to the Group |
|---|--------------------------|-----------------------------------|------------------------------------|--|
| 名稱  | 註冊成立國家                   | 所持已發行股份詳情                         | 本集團所持股份數目                          | 本集團應佔擁有權權益百分比  |
| Citychamp Dartong Company Limited<br>冠城大通股份有限公司 | PRC<br>中國                | Ordinary A Share<br>A股普通股         | 30,389,058                         | 2.04%  |

During the year, the increase in fair value of financial assets at fair value through other comprehensive income of HK\$47,933,000 (2019: decrease of HK\$204,233,000) has been dealt with in other comprehensive income and FVOCI reserve. There is no transfer of cumulative gain or loss within equity during the year.

## 20. 按公平值計入其他全面收入之金融資產(續)

(b) (續)

本集團於大通股份的投資詳情如下：

年內，按公平值計入其他全面收入之金融資產公平值增加47,933,000港元(二零一九年：減少204,233,000港元)已於其他全面收入及按公平值計入其他全面收入儲備內處理。年內，權益內概無轉撥累計收益或虧損。

## 21. DERIVATIVE FINANCIAL INSTRUMENTS

## 21. 衍生金融工具

|   | Notes<br>附註   | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|---------------|----------------------------------|----------------------------------|
| <b>Derivative financial assets</b>      | <b>衍生金融資產</b> |                                  |                                  |
| Forward and option contracts            | 遠期及期權合約 (a)   | 29,224                           | 10,275                           |
| <b>Derivative financial liabilities</b> | <b>衍生金融負債</b> |                                  |                                  |
| Forward and option contracts            | 遠期及期權合約 (a)   | (31,334)                         | (54,788)                         |

## 21. DERIVATIVE FINANCIAL INSTRUMENTS

(Continued)

Notes:

- (a) Forward and option contracts arising in banking business

The Group's subsidiaries under the banking business segment act as an intermediary to offer derivative products including interest rate and currency forwards and swap to its customers. These derivative positions are managed through entering back-to-back deals with external parties to ensure the remaining exposures are within acceptable risk levels.

The following tables and notes provide an analysis of the nominal amounts of derivatives and the corresponding fair values as at the year ended date. The nominal amounts of the derivatives indicate the volume of transactions outstanding as at the reporting date; they do not represent amounts at risk.

## 21. 衍生金融工具(續)

附註：

- (a) 來自銀行業務之遠期及期權合約

本集團銀行業務分部下之附屬公司作為中介向其客戶提供衍生工具產品，包括利率以及貨幣遠期及掉期。該等衍生工具持倉乃透過與外界人士訂立背對背交易進行管理以確保餘下風險於可接受風險水平內。

下表及附註就截至該日止年度之衍生工具面值及相應公平值提供分析。衍生工具之面值顯示於報告日尚未完成之交易量而並無呈現風險金額。

|                         |          | 31 December 2020<br>二零二零年十二月三十一日 |               |                 |
|-------------------------|----------|----------------------------------|---------------|-----------------|
|                         |          | Nominal amount                   | Assets        | Liabilities     |
|                         |          | 面值                               | 資產            | 負債              |
|                         |          | HK\$'000                         | HK\$'000      | HK\$'000        |
|                         |          | 千港元                              | 千港元           | 千港元             |
| Non-hedging instruments | 非對沖工具    |                                  |               |                 |
| – Currency derivatives  | – 貨幣衍生工具 | 4,575,322                        | 29,224        | (31,334)        |
| – Option                | – 期權     | 194                              | –*            | –*              |
|                         |          | <b>4,575,516</b>                 | <b>29,224</b> | <b>(31,334)</b> |

|                         |          | 31 December 2019<br>二零一九年十二月三十一日 |          |             |
|-------------------------|----------|----------------------------------|----------|-------------|
|                         |          | Nominal amount                   | Assets   | Liabilities |
|                         |          | 面值                               | 資產       | 負債          |
|                         |          | HK\$'000                         | HK\$'000 | HK\$'000    |
|                         |          | 千港元                              | 千港元      | 千港元         |
| Non-hedging instruments | 非對沖工具    |                                  |          |             |
| – Currency derivatives  | – 貨幣衍生工具 | 4,531,412                        | 10,275   | (54,788)    |

\* Represents the amount less than HK\$1,000.

\* 指金額少於1,000港元。

**21. DERIVATIVE FINANCIAL INSTRUMENTS**

(Continued)

Note: (Continued)

(a) Forward and option contracts arising in banking business (Continued)

Nominal amount analysed by remaining maturity

|                             |        | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|-----------------------------|--------|----------------------------------|----------------------------------|
| Within 3 months             | 3個月內   | 3,760,096                        | 3,761,590                        |
| Between 3 months and 1 year | 3個月至1年 | 23,728                           | 26,701                           |
| Between 1 year and 5 years  | 1年至5年  | 791,692                          | 743,121                          |
|                             |        | <b>4,575,516</b>                 | <b>4,531,412</b>                 |

The remaining term to maturity of derivatives does not represent the Group's intended holding period. Change in the fair value of forward and option contracts arising in banking business has been recognised in the consolidated statement of comprehensive income under "Trading income from banking business".

**21. 衍生金融工具 (續)**

附註：(續)

(a) 來自銀行業務之遠期及期權合約 (續)

按餘下到期日分析之面值

|                             |        | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|-----------------------------|--------|----------------------------------|----------------------------------|
| Within 3 months             | 3個月內   | 3,760,096                        | 3,761,590                        |
| Between 3 months and 1 year | 3個月至1年 | 23,728                           | 26,701                           |
| Between 1 year and 5 years  | 1年至5年  | 791,692                          | 743,121                          |
|                             |        | <b>4,575,516</b>                 | <b>4,531,412</b>                 |

衍生工具到期日餘下期限並不代表本集團之擬持有期。來自銀行業務之遠期及期權合約之公平值變動已根據「銀行業務之交易收入」於綜合全面收入表內確認。

**22. TRADE RECEIVABLES****22. 應收賬款**

|  |                          | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|--------------------------|----------------------------------|----------------------------------|
| Trade receivables arising from watches and timepieces business: (note (a)) | 鐘錶及時計產品業務產生之應收賬款：(附註(a)) |                                  |                                  |
| Trade receivables  | 應收賬款                     | 458,698                          | 533,280                          |
| Less: Provision for impairment loss  | 減：減值虧損撥備                 | (76,607)                         | (58,347)                         |
|  |                          | <b>382,091</b>                   | <b>474,933</b>                   |
| Trade receivables arising from financial business: (note (b))              | 金融業務產生之應收賬款：(附註(b))      |                                  |                                  |
| - Margin clients   | - 保證金客戶                  | 402                              | 254                              |
| - Cash clients   | - 現金客戶                   | 4,631                            | 2,182                            |
| - Clearing house   | - 結算所                    | 4,623                            | 893                              |
|  |                          | <b>9,656</b>                     | <b>3,329</b>                     |
| Trade receivables, net   | 應收賬款淨額                   | <b>391,747</b>                   | <b>478,262</b>                   |

## 22. TRADE RECEIVABLES (Continued)

Notes:

- (a) The Group's trading terms with its customers of watches and timepieces business are mainly on credit, except for certain customers, where payment in advance is required. The credit period is generally for a period of one to six months (2019: one to six months) for major customers. The credit term for customers is determined by the management according to industry practice together with consideration of their creditability. In view of the aforementioned and the fact that the Group's trade receivables relate to a wide range of customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

Impairment losses in respect of trade receivables arising from watches and timepieces business are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

Movements in the expected credit losses of trade receivables arising from watches and timepieces business are as follows:

|  |          | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|----------|----------------------------------|----------------------------------|
| At 1 January                                 | 於一月一日    | 58,347                           | 50,976                           |
| Written-off of provision for impairment loss | 撇銷減值虧損撥備 | -                                | (93)                             |
| Expected credit losses for the year          | 年內預期信貸虧損 | 16,960                           | 7,340                            |
| Exchange realignment                         | 匯兌調整     | 1,300                            | 124                              |
| At 31 December                               | 於十二月三十一日 | <b>76,607</b>                    | 58,347                           |

The Group does not hold any collateral over these balances. As at 31 December 2020, there is no trade receivables pledged to secure banking facilities granted to the Group. As at 31 December 2019, trade receivables of HK\$13,484,000 have been pledged to secure banking facilities granted to the Group for the year ended 31 December 2019 (note 36).

## 22. 應收賬款 (續)

附註：

- (a) 除若干客戶須預先付款外，本集團與其鐘錶及時計產品業務客戶訂立之買賣條款主要為記賬方式。主要客戶一般可獲一至六個月(二零一九年：一至六個月)之信貸期。客戶之信貸期由管理層根據行業慣例並考慮客戶之信譽釐定。鑒於上述事項及本集團應收賬款涉及大量不同客戶，故並無高度集中信貸風險。應收賬款並不計息。

鐘錶及時計產品業務產生之應收賬款減值虧損乃使用撥備賬列賬，除非本集團信納收回有關金額之可能性極低則作別論，在此情況下，減值虧損會直接撇銷應收賬款。

鐘錶及時計產品業務產生之應收賬款之預期信貸虧損變動如下：

本集團並無就該等結餘持有任何抵押品。於二零二零年十二月三十一日，概無應收賬款已予抵押，以使本集團獲授銀行融資。於二零一九年十二月三十一日，13,484,000港元之應收賬款已予抵押，以使本集團於截至二零一九年十二月三十一日止年度獲授銀行融資(附註36)。



**22. TRADE RECEIVABLES** (Continued)

Notes: (Continued)

(a) (Continued)

Ageing analysis of trade receivables arising from watches and timepieces business as at the reporting date, based on invoice dates, and net of provisions, is as follows:

|               |       | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---------------|-------|----------------------------------|----------------------------------|
| 1 to 3 months | 1至3個月 | 267,893                          | 343,863                          |
| 4 to 6 months | 4至6個月 | 29,796                           | 44,032                           |
| Over 6 months | 超過6個月 | 84,402                           | 87,038                           |
|               |       | <b>382,091</b>                   | <b>474,933</b>                   |

The directors of the Company consider that as trade receivables arising from watches and timepieces business are expected to be recovered within one year, their fair values are not materially different from their carrying amounts because these balances have short maturity periods on their inception at the reporting date.

(b) The settlement term of trade receivables arising from the financial business of securities dealing is two business days after trade date ("T+2").

Margin loans due from margin clients are current and repayable on demand. Margin clients are required to pledge securities as collateral to the Group in order to obtain credit facilities for securities trading. As at 31 December 2020, the total market value of securities pledged as collateral in respect of the receivables from margin clients are approximately HK\$840,000 (2019: HK\$1,701,000). Margin loans are interest bearings at fixed rate of 8.25% (2019: 8.25%) per annum. Subject to certain conditions, the Group is allowed to repledge collateral from margin clients. There was no repledge of collateral from margin clients as at 31 December 2020 and 2019. No aging analysis is disclosed for trade receivables from margin clients. In the opinion of the directors, aging analysis is not meaningful in view of the business nature of securities dealing.

**22. 應收賬款** (續)

附註：(續)

(a) (續)

鐘錶及時計產品業務產生之應收賬款(扣除撥備)按照發票日期於報告日之賬齡分析如下：

|               |       | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---------------|-------|----------------------------------|----------------------------------|
| 1 to 3 months | 1至3個月 | 267,893                          | 343,863                          |
| 4 to 6 months | 4至6個月 | 29,796                           | 44,032                           |
| Over 6 months | 超過6個月 | 84,402                           | 87,038                           |
|               |       | <b>382,091</b>                   | <b>474,933</b>                   |

本公司董事認為，於報告日，由於鐘錶及時計產品業務產生之應收賬款預期將於一年內收回，且有關結餘自其開始以來之到期日偏短，故其公平值與其賬面值並無重大差異。

(b) 證券買賣之金融業務所產生應收賬款之結算期限為交易日後兩個營業日("T+2")。

應收保證金客戶之保證金貸款屬即期且須於要求時償還。保證金客戶須抵押證券抵押品予本集團，方可取得證券交易之信貸融資。於二零二零年十二月三十一日，與應收保證金客戶賬款有關作為抵押品抵押之證券市值總額約為840,000港元(二零一九年：1,701,000港元)。保證金貸款乃按固定年利率8.25%(二零一九年：8.25%)計息。在若干條件規限下，本集團可再抵押保證金客戶之抵押品。於二零二零年及二零一九年十二月三十一日，概無再抵押保證金客戶之任何抵押品。由於董事認為，鑒於證券買賣之業務性質，賬齡分析並無意義，故並無披露應收保證金客戶賬款之賬齡分析。

**22. TRADE RECEIVABLES (Continued)**

Notes: (Continued)

(b) (Continued)

Trade receivable from cash clients related to a wide range of customers for whom there was no recent history of default. Based on the past experience, current assessment and the available forward-looking information, the management believes that no additional impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable.

Trade receivables from clearing house, i.e. Hong Kong Securities Clearing Limited, is current which represents pending trades arising from the financial business of securities dealing and are normally due on "T+2" day in accordance with the requirements of Hong Kong Exchange and Clearing Limited.

The Group has policy for impairment allowance which requires management's judgement and estimation as mentioned in note 4.13. The directors are in opinion that no impairment allowance is necessary in respect of trade receivables arising from the financial business of securities dealing as at 31 December 2020 and 2019.

**22. 應收賬款 (續)**

附註：(續)

(b) (續)

與大量客戶有關之應收現金客戶賬款最近並無拖欠記錄。根據過往經驗、現時評估及可用前瞻性資料，管理層相信，無須就該等結餘作額外減值撥備，乃由於信貸質量並無重大變動且結餘被認為可悉數收回。

應收結算所(即香港中央結算有限公司)賬款為即期，其指證券買賣之金融業務產生之待決交易，且一般按照香港交易及結算所有限公司之規定於「T+2」日到期。

如附註4.13所述，本集團就計提減值撥備設有政策，要求管理層作出判斷及估計。董事認為，於二零二零年及二零一九年十二月三十一日，毋須就證券買賣之金融業務所產生應收賬款而計提減值撥備。

**23. OTHER FINANCIAL ASSETS AT AMORTISED COST****23. 按攤銷成本列賬之其他金融資產**

|  |                | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|----------------|----------------------------------|----------------------------------|
| Listed debt instruments, at amortised cost | 上市債務工具，按攤銷成本列賬 | <b>1,449,886</b>                 | 1,307,960                        |
| Issued by:                                 | 由以下人士發行：       |                                  |                                  |
| Governments and public sector              | 政府及公營部門        | <b>84,447</b>                    | 82,373                           |
| Financial institutions                     | 金融機構           | <b>1,053,351</b>                 | 778,199                          |
| Corporations                               | 企業             | <b>312,088</b>                   | 447,388                          |
|  |                | <b>1,449,886</b>                 | 1,307,960                        |

The listed debt investments represented the investments in listed debt instruments mainly issued by financial institutions and corporations in Europe.

上市債務投資指主要由歐洲金融機構及企業發行之上市債務工具投資。

## 23. OTHER FINANCIAL ASSETS AT AMORTISED COST (Continued)

(a) Reconciliation of gross carrying amount for other financial assets at amortised cost are as follow:

|  |                                 | Stage 1<br>第1階段<br>HK\$'000<br>千港元 | Stage 2<br>第2階段<br>HK\$'000<br>千港元 | Stage 3<br>第3階段<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|--|---------------------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------|
| As at 1 January 2019                         | 於二零一九年一月一日                      | 1,035,320                          | –                                  | –                                  | 1,035,320                      |
| Net financial assets originated              | 原自金融資產淨值                        | 256,449                            | –                                  | –                                  | 256,449                        |
| Exchange realignment                         | 匯兌調整                            | 17,040                             | –                                  | –                                  | 17,040                         |
| As at 31 December 2019 and<br>1 January 2020 | 於二零一九年十二月<br>三十一日及二零二零年<br>一月一日 | 1,308,809                          | –                                  | –                                  | 1,308,809                      |
| Net financial assets originated              | 原自金融資產淨值                        | 50,389                             | –                                  | –                                  | 50,389                         |
| Transfers:                                   | 轉撥：                             |                                    |                                    |                                    |                                |
| – Transfer to stage 2                        | – 轉撥至第2階段                       | (2,737)                            | 2,737                              | –                                  | –                              |
| – Transfer to stage 3                        | – 轉撥至第3階段                       | (31,177)                           | –                                  | 31,177                             | –                              |
| Exchange realignment                         | 匯兌調整                            | 120,734                            | 114                                | 1,939                              | 122,787                        |
| 31 December 2020                             | 於二零二零年十二月<br>三十一日               | 1,446,018                          | 2,851                              | 33,116                             | 1,481,985                      |

(b) Movements in the expected credit losses in respect of other financial assets at amortised cost are as follows:

|   |                                    | Stage 1<br>第1階段<br>HK\$'000<br>千港元 | Stage 2<br>第2階段<br>HK\$'000<br>千港元 | Stage 3<br>第3階段<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------|
| Balance at 1 January 2019                               | 於二零一九年一月一日<br>之結餘                  | 548                                | –                                  | –                                  | 548                            |
| Newly formed valuation<br>adjustments for default risks | 新增違約風險估值<br>調整                     | 291                                | –                                  | –                                  | 291                            |
| Exchange realignment                                    | 匯兌調整                               | 10                                 | –                                  | –                                  | 10                             |
| Balance at 31 December 2019<br>and 1 January 2020       | 於二零一九年十二月<br>三十一日及二零二零年<br>一月一日之結餘 | 849                                | –                                  | –                                  | 849                            |
| Newly formed valuation<br>adjustments for default risks | 新增違約風險<br>估值調整                     | (38)                               | 45                                 | 29,341                             | 29,348                         |
| Transfers:  | 轉撥：                                |                                    |                                    |                                    |                                |
| – Transfer to stage 2                                   | – 轉撥至第2階段                          | (8)                                | 8                                  | –                                  | –                              |
| – Transfer to stage 3                                   | – 轉撥至第3階段                          | (91)                               | –                                  | 91                                 | –                              |
| Exchange realignment                                    | 匯兌調整                               | 68                                 | 3                                  | 1,831                              | 1,902                          |
| Balance at 31 December 2020                             | 於二零二零年十二月<br>三十一日之結餘               | 780                                | 56                                 | 31,263                             | 32,099                         |

## 23. 按攤銷成本列賬之其他金融資產 (續)

(a) 按攤銷成本列賬之其他金融資產之總賬面值對賬如下：

(b) 按攤銷成本列賬之其他金融資產之預期信貸虧損變動如下：

## 24. INVENTORIES

## 24. 存貨

|                                 |        | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---------------------------------|--------|----------------------------------|----------------------------------|
| Raw materials                   | 原材料    | 358,304                          | 480,804                          |
| Work-in-progress                | 在製品    | 75,528                           | 460,376                          |
| Finished goods and merchandises | 製成品及商品 | 1,821,721                        | 1,316,786                        |
|                                 |        | 2,255,553                        | 2,257,966                        |

## 25. INTERESTS IN JOINT VENTURES

## 25. 所佔合營企業權益

|   |               | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|---------------|----------------------------------|----------------------------------|
| At 1 January  | 於一月一日         | 1,096                            | 2,439                            |
| Share of total comprehensive income of joint ventures | 應佔合營企業之全面收入總額 | (494)                            | (1,343)                          |
| At 31 December  | 於十二月三十一日      | 602                              | 1,096                            |

Particulars of the joint ventures, which are accounted for using equity method in the consolidated financial statements, are as follows:

綜合財務報表採用權益法入賬之合營企業詳情如下：

| Name<br>名稱   | Particulars of issued capital<br>已發行股本詳情 | Place of incorporation<br>註冊成立地點 | Percentage of interest held<br>持有權益所佔百分比<br>2020 and 2019<br>二零二零年及二零一九年 | Principal activities and principal place of operation<br>主要業務及主要營業地點 |
|--|--|----------------------------------|--|--|
| Corum Investment Management Limited ("Corum Investment") | US\$100<br>100美元                         | Cayman Islands<br>開曼群島           | 40%  | Investment holding in Hong Kong<br>於香港投資控股                           |
| Corum Capital Partners Limited ("Corum Capital")         | US\$10,000<br>10,000美元                   | Cayman Islands<br>開曼群島           | 40%  | Investment holding in Hong Kong<br>於香港投資控股                           |

**25. INTERESTS IN JOINT VENTURES (Continued)**

Despite the Group's holding of 40% equity interest in Corum Investment and Corum Capital respectively, the directors have confirmed that neither the Group nor other shareholders of the joint ventures has unilateral control over the operating and financing decision of the joint ventures in accordance with the joint venture agreement. These joint arrangements are classified as joint ventures and have been accounted for in the consolidated financial statements using equity method.

**26. INTERESTS IN ASSOCIATES****25. 所佔合營企業權益 (續)**

儘管本集團分別持有 Corum Investment 及 Corum Capital 之 40% 股本權益，根據合資協議，董事確認概無本集團或合營企業之其他股東可單方面控制合營企業之經營及財務決策。該等合營安排被分類為合營企業且於綜合財務報表採用權益法入賬。

**26. 所佔聯營公司權益**

|   |               | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|---------------|----------------------------------|----------------------------------|
| At 1 January                                      | 於一月一日         | 115,486                          | 102,919                          |
| Share of total comprehensive income of associates | 應佔聯營公司之全面收入總額 | 2,690                            | 17,567                           |
| Dividend income from an associates                | 聯營公司之股息收入     | (5,000)                          | (5,000)                          |
| At 31 December                                    | 於十二月三十一日      | 113,176                          | 115,486                          |

Particulars of the principal associate, which is a limited liability company, at 31 December 2020 are as follows:

於二零二零年十二月三十一日，主要聯營公司(為有限公司)之詳情如下：

| Name  | Particulars of issued capital | Place of incorporation | Percentage of interest held           | Principal activities and place of operation                                 |
|---|-------------------------------|------------------------|---------------------------------------|---|
| 名稱  | 發行股本詳情                        | 註冊成立地點                 | 持有權益所佔百分比                             | 主要業務及主要營業地點   |
| Fair Future Industrial Limited<br>("Fair Future")<br>俊光實業有限公司(「俊光」) | HK\$600,000<br>600,000 港元     | Hong Kong<br>香港        | 25%<br>(2019: 25%)<br>(二零一九年：<br>25%) | Manufacturing of watches and related accessories in the PRC<br>於中國製造鐘錶及相關配件 |

## 26. INTERESTS IN ASSOCIATES (Continued)

The summarised financial information of the Group's material associate extracted from its management accounts for the years ended 31 December 2020 and 2019 is as follows:

## 26. 所佔聯營公司權益(續)

以下為截至二零二零年及二零一九年十二月三十一日止年度本集團重大聯營公司之財務資料概要(摘錄自其管理賬目):

|  |                      | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|----------------------|----------------------------------|----------------------------------|
| <b>Fair Future</b>   | <b>俊光</b>            |                                  |                                  |
| <b>As at 31 December</b>   | <b>於十二月三十一日</b>      |                                  |                                  |
| Current assets   | 流動資產                 | 581,866                          | 660,061                          |
| Non-current assets   | 非流動資產                | 163,699                          | 171,216                          |
| Current liabilities  | 流動負債                 | (429,906)                        | (499,593)                        |
| Non-current liabilities  | 非流動負債                | (14,517)                         | (18,353)                         |
| <b>Net assets</b>  | <b>資產淨值</b>          | <b>301,142</b>                   | 313,331                          |
| Less: Non-controlling interests  | 減: 非控股權益             | (654)                            | (764)                            |
| <b>Net assets attributable to owners of the associate</b>                    | <b>聯營公司擁有人應佔資產淨值</b> | <b>300,488</b>                   | 312,567                          |
| <b>Reconciliation to the Group's interest in Fair Future:</b>                | <b>本集團於俊光之權益之對賬:</b> |                                  |                                  |
| Proportion of the Group's ownership  | 本集團擁有權之比例            | 25%                              | 25%                              |
| Group's share of net assets of the associate                                 | 本集團應佔聯營公司之資產淨值       | 75,286                           | 78,333                           |
| Goodwill on acquisition  | 收購之商譽                | 37,987                           | 37,987                           |
| Effect of unrealised profits arising from the transactions with an associate | 來自與一間聯營公司交易之未實現溢利影響  | (379)                            | (1,088)                          |
| Other reconciliation items   | 其他對賬項目               | 132                              | 104                              |
| Carrying amount of the investment  | 投資賬面值                | 113,026                          | 115,336                          |



## 26. INTERESTS IN ASSOCIATES (Continued)

## 26. 所佔聯營公司權益(續)

|  |                      | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|----------------------|----------------------------------|----------------------------------|
| <b>For the year ended 31 December</b>  | <b>截至十二月三十一日止年度</b>  |                                  |                                  |
| Revenue  | 收入                   | <b>796,706</b>                   | 1,205,977                        |
| Profit for the year  | 本年度溢利                | <b>9,771</b>                     | 70,862                           |
| Other comprehensive income   | 其他全面收入               | <b>(1,960)</b>                   | (431)                            |
| Total comprehensive income   | 全面收入總額               | <b>7,811</b>                     | 70,431                           |
| Profit for the year attributable to owners of an associate                     | 一間聯營公司擁有人應佔本年度溢利     | <b>9,880</b>                     | 70,450                           |
| Total comprehensive income for the year attributable to owners of an associate | 一間聯營公司擁有人應佔本年度全面收入總額 | <b>7,921</b>                     | 70,019                           |
| <b>Reconciliation to the Group's share of results of Fair Future:</b>          | <b>本集團應佔俊光業績之對賬：</b> |                                  |                                  |
| Proportion of the Group's ownership  | 本集團擁有權之比例            | <b>25%</b>                       | 25%                              |
| Group's share of profits of the associate                                      | 本集團應佔聯營公司之溢利         | <b>2,470</b>                     | 17,612                           |
| Effects of unrealised profits arising from the transactions with an associate  | 來自與一間聯營公司交易之未實現溢利影響  | <b>710</b>                       | 63                               |
| Share of profit of the associate for the year                                  | 應佔年內聯營公司溢利           | <b>3,180</b>                     | 17,675                           |
| Group's share of other comprehensive income of the associate                   | 本集團應佔聯營公司之其他全面收入     | <b>(490)</b>                     | (108)                            |
| Share of total comprehensive income of the associate                           | 應佔聯營公司之全面收入總額        | <b>2,690</b>                     | 17,567                           |

## 27. PROPERTY, PLANT AND EQUIPMENT

## 27. 物業、廠房及設備

|   |                         | Right-of-use<br>assets<br>使用權資產<br>HK\$'000<br>千港元 | Land and<br>buildings<br>土地及樓宇<br>HK\$'000<br>千港元 | Leasehold<br>improvements<br>租賃<br>物業裝修<br>HK\$'000<br>千港元 | Plant and<br>machinery<br>廠房及機器<br>HK\$'000<br>千港元 | Furniture,<br>fixtures<br>and office<br>equipment<br>傢具、裝置及<br>辦公室設備<br>HK\$'000<br>千港元 | Motor<br>vehicles<br>汽車<br>HK\$'000<br>千港元 | CIP<br>在建工程<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|---|-------------------------|--|---|--|--|---|--|--------------------------------|--------------------------------|
| <b>At 1 January 2019</b>                      | 於二零一九年一月一日              |  |   |  |  |   |  |                                |                                |
| Cost  | 成本                      | 509,117  | 430,351   | 85,196   | 193,058  | 580,813   | 48,213                                     | 41,575                         | 1,888,323                      |
| Accumulated depreciation                      | 累計折舊                    | -  | (87,471)  | (51,736)   | (114,117)  | (423,589)   | (36,442)                                   | -                              | (713,355)                      |
| <b>Net carrying amount</b>                    | <b>賬面淨值</b>             | <b>509,117</b>                                     | <b>342,880</b>                                    | <b>33,460</b>  | <b>78,941</b>                                      | <b>157,224</b>  | <b>11,771</b>                              | <b>41,575</b>                  | <b>1,174,968</b>               |
| <b>Year ended 31 December 2019</b>            | 截至二零一九年十二月三十一日止年度       |  |   |  |  |   |  |                                |                                |
| Opening net book amount                       | 年初賬面淨值                  | 509,117  | 342,880   | 33,460   | 78,941   | 157,224   | 11,771                                     | 41,575                         | 1,174,968                      |
| Additions                                     | 添置                      | 21,230   | 17,748  | 28,182   | 9,798  | 45,129  | 2,426                                      | 41,710                         | 166,223                        |
| Lease modification                            | 租賃修改                    | 10,101   | -   | -  | -  | -   | -  | -                              | 10,101                         |
| Transfer                                      | 轉發                      | -  | 36,433  | -  | -  | -   | -  | (36,433)                       | -                              |
| Depreciation                                  | 折舊                      | (55,434)   | (6,523)   | (26,162)   | (15,989)   | (66,130)  | (2,912)                                    | -                              | (173,150)                      |
| Disposal                                      | 出售                      | -  | (101)   | -  | (66)   | (18,971)  | (817)                                      | -                              | (19,955)                       |
| Exchange realignment                          | 匯兌調整                    | (7,921)  | 2,927   | (219)  | (8,949)  | 4,941   | (103)                                      | (814)                          | (10,138)                       |
| <b>Closing carrying amount</b>                | <b>年末賬面淨值</b>           | <b>477,093</b>                                     | <b>393,364</b>                                    | <b>35,261</b>  | <b>63,735</b>                                      | <b>122,193</b>  | <b>10,365</b>                              | <b>46,038</b>                  | <b>1,148,049</b>               |
| <b>At 31 December 2019 and 1 January 2020</b> | 於二零一九年十二月三十一日及二零二零年一月一日 |  |   |  |  |   |  |                                |                                |
| Cost  | 成本                      | 532,527  | 440,798   | 101,878  | 200,823  | 594,244   | 46,768                                     | 46,038                         | 1,963,076                      |
| Accumulated depreciation                      | 累計折舊                    | (55,434)   | (47,434)  | (66,617)   | (137,088)  | (472,051)   | (36,403)                                   | -                              | (815,027)                      |
| <b>Net carrying amount</b>                    | <b>賬面淨值</b>             | <b>477,093</b>                                     | <b>393,364</b>                                    | <b>35,261</b>  | <b>63,735</b>                                      | <b>122,193</b>  | <b>10,365</b>                              | <b>46,038</b>                  | <b>1,148,049</b>               |
| <b>Year ended 31 December 2020</b>            | 截至二零二零年十二月三十一日止年度       |  |   |  |  |   |  |                                |                                |
| Opening net book amount                       | 年初賬面淨值                  | 477,093  | 393,364   | 35,261   | 63,735   | 122,193   | 10,365                                     | 46,038                         | 1,148,049                      |
| Additions                                     | 添置                      | 4,875  | 6,676   | 20,750   | 78   | 22,492  | 549  | 135,524                        | 190,944                        |
| Lease modification                            | 租賃修改                    | 9,071  | -   | -  | -  | -   | -  | -                              | 9,071                          |
| Transfer                                      | 轉發                      | -  | 123,815   | -  | -  | -   | -  | (123,815)                      | -                              |
| Depreciation                                  | 折舊                      | (57,571)   | (8,479)   | (25,912)   | (10,895)   | (54,613)  | (2,619)                                    | -                              | (160,089)                      |
| Disposal                                      | 出售                      | -  | -   | -  | (538)  | (1,668)   | (277)                                      | -                              | (2,483)                        |
| Exchange realignment                          | 匯兌調整                    | 23,955   | 44,254  | 1,551  | 3,659  | 7,859   | 441  | 3,515                          | 85,234                         |
| <b>Closing carrying amount</b>                | <b>年末賬面淨值</b>           | <b>457,423</b>                                     | <b>559,630</b>                                    | <b>31,650</b>  | <b>56,039</b>                                      | <b>96,263</b>   | <b>8,459</b>                               | <b>61,262</b>                  | <b>1,270,726</b>               |
| <b>At 31 December 2020</b>                    | 於二零二零年十二月三十一日           |  |   |  |  |   |  |                                |                                |
| Cost  | 成本                      | 573,477  | 672,243   | 129,172  | 212,569  | 646,963   | 46,167                                     | 61,262                         | 2,341,853                      |
| Accumulated depreciation                      | 累計折舊                    | (116,054)  | (112,613)   | (97,522)   | (156,530)  | (550,700)   | (37,708)                                   | -                              | (1,071,127)                    |
| <b>Net carrying amount</b>                    | <b>賬面淨值</b>             | <b>457,423</b>                                     | <b>559,630</b>                                    | <b>31,650</b>  | <b>56,039</b>                                      | <b>96,263</b>   | <b>8,459</b>                               | <b>61,262</b>                  | <b>1,270,726</b>               |

**27. PROPERTY, PLANT AND EQUIPMENT** (Continued)

At 31 December 2020, land and buildings in Switzerland with an aggregated carrying value of HK\$108,017,000 (2019: HK\$95,180,000) have been pledged to secure banking facilities granted to the Group (note 36).

At 31 December 2020, right-of-use assets in PRC with an aggregated carrying value of HK\$202,101,000 (2019: Nil) have been pledged to secure banking facilities granted to the Group (note 36).

**27. 物業、廠房及設備** (續)

於二零二零年十二月三十一日，本集團已抵押位於瑞士賬面總值108,017,000港元（二零一九年：95,180,000港元）之土地及樓宇以獲授銀行融資（附註36）。

於二零二零年十二月三十一日，本集團已抵押位於中國賬面總值202,101,000港元（二零一九年：無）之使用權資產以獲授銀行融資（附註36）。

| Right-of-use assets<br>使用權資產                 |                                 | Land and<br>buildings<br>土地及樓宇<br>HK\$'000<br>千港元 | Motor<br>vehicles<br>汽車<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|--|---------------------------------|---|--|--------------------------------|
| At 1 January 2019                            | 於二零一九年一月一日                      | 509,117   | –  | 509,117                        |
| Additions                                    | 添置                              | 19,087  | 2,143                                      | 21,230                         |
| Lease modification                           | 租賃修改                            | 10,101  | –  | 10,101                         |
| Depreciation                                 | 折舊                              | (54,947)  | (487)                                      | (55,434)                       |
| Exchange realignment                         | 匯兌調整                            | (7,935)   | 14   | (7,921)                        |
| As at 31 December 2019 and<br>1 January 2020 | 於二零一九年十二月<br>三十一日及二零二零<br>年一月一日 | 475,423   | 1,670                                      | 477,093                        |
| Additions                                    | 添置                              | <b>4,875</b>                                      | –  | <b>4,875</b>                   |
| Lease modification                           | 租賃修改                            | <b>9,071</b>                                      | –  | <b>9,071</b>                   |
| Depreciation                                 | 折舊                              | <b>(57,057)</b>                                   | <b>(514)</b>                               | <b>(57,571)</b>                |
| Exchange realignment                         | 匯兌調整                            | <b>23,902</b>                                     | <b>53</b>                                  | <b>23,955</b>                  |
| As at 31 December 2020                       | 於二零二零年十二月<br>三十一日               | <b>456,214</b>                                    | <b>1,209</b>                               | <b>457,423</b>                 |

## 28. INVESTMENT PROPERTIES

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

Changes to the carrying amounts presented in the consolidated statement of financial position can be summarised as follows:

|   |              | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|--------------|----------------------------------|----------------------------------|
| Carrying amount at 1 January                        | 於一月一日之賬面值    | 182,186                          | 179,133                          |
| Net surplus on revaluation of investment properties | 投資物業重估之盈餘淨額  | 9,723                            | 4,047                            |
| Exchange realignment                                | 匯兌調整         | 3,518                            | (994)                            |
| Carrying amount at 31 December                      | 於十二月三十一日之賬面值 | 195,427                          | 182,186                          |

The carrying amounts of the Group's investment properties situated in Hong Kong and the PRC held under medium-term leases are analysed as follows:

|           |    | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|-----------|----|----------------------------------|----------------------------------|
| Hong Kong | 香港 | 27,400                           | 27,400                           |
| PRC       | 中國 | 168,027                          | 154,786                          |
|           |    | 195,427                          | 182,186                          |

As at 31 December 2020, the Group has not obtained the relevant title certificates for investment properties with an aggregate carrying value of HK\$45,615,000 (2019: HK\$44,650,000). The Group's legal advisors have confirmed that the Group is the rightful and equitable owner of these investment properties. The directors are now in process of obtaining the title certificates from the relevant government authorities.

## 28. 投資物業

本集團所有就賺取租金或資本增值而以經營租約持有之物業權益，乃按公平值模式計量，並分類及入賬為投資物業。

於綜合財務狀況表呈列之賬面值變動概述如下：

本集團位於香港及中國以中期租約持有之投資物業之賬面值分析如下：

於二零二零年十二月三十一日，本集團並未就賬面總值45,615,000港元(二零一九年：44,650,000港元)之投資物業取得相關業權證明。本集團法律顧問已確認，本集團為該等投資物業之合法權益擁有人。董事現正向相關政府機關取得業權證明。

**28. INVESTMENT PROPERTIES** (Continued)

Investment properties were revalued at 31 December 2020 by Asset Appraisal Limited (“Asset Appraisal”) and Chung, Chan & Associate, independent professionally qualified valuers, at HK\$195,427,000 (2019: HK\$182,186,000) in aggregate. Asset Appraisal is a member of Hong Kong Institutes of Surveyors and Chung, Chan & Associates is a member of Royal Institution of Chartered Surveyors. Both have appropriate qualifications and relevant experiences in the location and category of properties being valued.

**Fair value hierarchy**

The fair value of investment properties is a Level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balance is provided below.

**28. 投資物業** (續)

投資物業於二零二零年十二月三十一日由獨立專業認可估值師中誠達資產評估顧問有限公司(「中誠達」)及 Chung, Chan & Associate 重估為合共 195,427,000 港元 (二零一九年：182,186,000 港元)。中誠達為香港測量師學會成員，Chung, Chan & Associate 則為英國皇家特許測量師學會成員。兩者均於經估物業之位置及分類方面具備適當資格及相關經驗。

**公平值級別**

投資物業之公平值為第三層經常性公平值計量。年初及年末公平值結餘之對賬載列如下。

|  |                                | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|--------------------------------|----------------------------------|----------------------------------|
| Opening balance (Level 3 recurring fair value)   | 年初結餘 (第三層經常性公平值)               | 182,186                          | 179,133                          |
| Net surplus on revaluation of investment properties charge to profit or loss                     | 扣自溢利或虧損之投資物業重估之盈餘淨額            | 9,723                            | 4,047                            |
| Exchange realignment   | 匯兌調整                           | 3,518                            | (994)                            |
| Closing balance (Level 3 recurring fair value)   | 年末結餘 (第三層經常性公平值)               | 195,427                          | 182,186                          |
| Change in unrealised gain for the year included in profit or loss for assets held at 31 December | 就十二月三十一日所持有資產計入溢利或虧損之年度未變現收益變動 | 9,723                            | 4,047                            |

During the years ended 31 December 2020 and 2019, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

於截至二零二零年及二零一九年十二月三十一日止年度，第一層與第二層之間並無轉撥，亦無轉撥入第三層或自第三層轉撥出。本集團之政策為於發生之報告期末確認各公平值級別水平之間之轉撥。

## 28. INVESTMENT PROPERTIES (Continued)

### Fair value hierarchy (Continued)

For the fair value measurement for investment properties in the PRC under income approach, the fair value was determined by taking into account the net rental incomes of the properties derived from the existing tenancies with due allowance for the reversionary income potential of the tenancies, which are then capitalised into the values at appropriate capitalisation rates.

| Significant unobservable inputs   | Range  |
|-----------------------------------|--|
| Capitalisation rate               | 2.65% to 6.10%<br>(2019: 2.0% to 7.10%)              |
| Market unit rent per square metre | HK\$5.56 to HK\$105.6<br>(2019: HK\$5.56 to HK\$110) |

A lower in the capitalisation rate and a higher in the market unit rent used would result in an increase in the fair value measurement of the investment properties, and vice versa.

For the fair value measurement for investment property in Hong Kong and certain investment properties in the PRC under direct comparison method, it is assumed that each of the properties is capable of being sold in its existing state with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant markets.

One of the key inputs used under direct comparison method in valuing the investment property in Hong Kong was the price per square feet and taking into account location and other individual factors. The price per square feet used is approximately HK\$17,692 (2019: HK\$17,692). An increase in the price per square feet would result in an increase in the fair value measurement of the investment property, and vice versa.

One of the key inputs used under direct comparison method in valuing the investment property in PRC was the price per square meter and taking into account location and other individual factors. The price per square meter used is approximately range from HK\$6,742 to HK\$67,425 (2019: from HK\$6,804 to HK\$57,837). An increase in the price per square meter would result in an increase in the fair value measurement of the investment property, and vice versa.

There has been no change from the valuation technique used in the prior year. The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

## 28. 投資物業 (續)

### 公平值級別 (續)

就按收益法評估之中國投資物業公平值計量，公平值乃計入該等物業從現有租賃產生之租金收入淨額，並考慮到租賃復歸之後收入潛力，其後按適當資本化比率撥充資本計出價值。

| 重大不可觀察輸入數值       | 範圍                                     |
|------------------|--|
| 資本化比率            | 2.65%至6.10%<br>(二零一九年：2.0%至7.10%)      |
| 單位市場租金<br>(每平方米) | 5.56港元至105.6港元<br>(二零一九年：5.56港元至110港元) |

使用較低資本化比率及較高單位市場租金會導致計算投資物業之公平值增加，反之亦然。

就根據直接比較法計量香港投資物業及若干中國投資物業公平值而言，乃假設各項物業可按其現狀交吉出售，並參考有關市場可得之可比較銷售憑證。

評估香港投資物業時，直接比較法項下主要輸入數值之一為每平方呎價格，且計及位置及其他個別因素。所用每平方呎價格約為17,692港元(二零一九年：17,692港元)。每平方呎價格上升會導致投資物業公平值計量增加，反之亦然。

評估中國投資物業時，直接比較法項下主要輸入數值之一為每平方米價格，且計及位置及其他個別因素。所用每平方米價格介乎於6,742港元至67,425港元(二零一九年：6,804港元至57,837港元)。每平方米價格上升會導致投資物業公平值計量增加，反之亦然。

於上一年度使用之估值方法並無變動。公平值乃根據上述物業之最高及最佳用途為基準計算，該等用途與其實際用途並無不同。



## 29. INTANGIBLE ASSETS

## 29. 無形資產

|  |                   | Supplier and distribution networks<br>供應商及分銷網絡<br>HK\$'000<br>千港元 | Brand names<br>品牌名稱<br>HK\$'000<br>千港元 | Patents<br>專利權<br>HK\$'000<br>千港元 | Trading rights<br>交易權<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|--|-------------------|---|--|-----------------------------------|--|--------------------------------|
| <b>At 1 January 2019</b>                       | 於二零一九年一月一日        |   |  |                                   |  |                                |
| Cost   | 成本                | 20,927  | 271,867                                | 32,203                            | 7,246                                    | 332,243                        |
| Accumulated amortisation and impairment losses | 累計攤銷及減值虧損         | (16,992)  | (229,738)                              | (32,203)                          | –  | (278,933)                      |
| <b>Net carrying amount</b>                     | 賬面淨值              | 3,935   | 42,129                                 | –                                 | 7,246                                    | 53,310                         |
| <b>Year ended 31 December 2019</b>             | 截至二零一九年十二月三十一日止年度 |   |  |                                   |  |                                |
| Opening carrying amount                        | 年初賬面值             | 3,935   | 42,129                                 | –                                 | 7,246                                    | 53,310                         |
| Amortisation                                   | 攤銷                | (1,644)   | (72)                                   | –                                 | –  | (1,716)                        |
| Exchange realignment                           | 匯兌調整              | (45)  | 540                                    | –                                 | –  | 495                            |
| <b>Closing carrying amount</b>                 | 年末賬面值             | 2,246   | 42,597                                 | –                                 | 7,246                                    | 52,089                         |
| <b>At 31 December 2019</b>                     | 於二零一九年十二月三十一日     |   |  |                                   |  |                                |
| Cost   | 成本                | 20,670  | 276,662                                | 32,581                            | 7,246                                    | 337,159                        |
| Accumulated amortisation and impairment losses | 累計攤銷及減值虧損         | (18,424)  | (234,065)                              | (32,581)                          | –  | (285,070)                      |
| <b>Net carrying amount</b>                     | 賬面淨值              | 2,246   | 42,597                                 | –                                 | 7,246                                    | 52,089                         |
| <b>Year ended 31 December 2020</b>             | 截至二零二零年十二月三十一日止年度 |   |  |                                   |  |                                |
| Opening carrying amount                        | 年初賬面值             | 2,246   | 42,597                                 | –                                 | 7,246                                    | 52,089                         |
| Amortisation                                   | 攤銷                | (1,712)   | (72)                                   | –                                 | –  | (1,784)                        |
| Exchange realignment                           | 匯兌調整              | 299   | 3,811                                  | –                                 | –  | 4,110                          |
| <b>Closing carrying amount</b>                 | 年末賬面值             | 833   | 46,336                                 | –                                 | 7,246                                    | 54,415                         |
| <b>At 31 December 2020</b>                     | 於二零二零年十二月三十一日     |   |  |                                   |  |                                |
| Cost   | 成本                | 21,909  | 295,965                                | 35,516                            | 7,246                                    | 360,636                        |
| Accumulated amortisation and impairment losses | 累計攤銷及減值虧損         | (21,076)  | (249,629)                              | (35,516)                          | –  | (306,221)                      |
| <b>Net carrying amount</b>                     | 賬面淨值              | 833   | 46,336                                 | –                                 | 7,246                                    | 54,415                         |

## 29. INTANGIBLE ASSETS (Continued)

As at 31 December 2020, intangible assets of HK\$47,169,000 (2019: HK\$44,843,000) are attributable to watches and timepieces business while intangible assets of HK\$7,246,000 (2019: HK\$7,246,000) are attributable to financial business.

Intangible assets with indefinite useful lives amounted to HK\$110,730,000 (2019: HK\$101,452,000) are attributable to the CGU of Corum Group. The intangible assets of Corum Group had been fully impaired in previous years.

Intangible assets with indefinite useful lives amounted to HK\$101,216,000 (2019: HK\$98,214,000) and intangible assets with definite useful lives amounted to HK\$757,000 (2019: HK\$734,000) are attributable to the CGU of The Dreyfuss Group Limited and its subsidiaries ("Dreyfuss Group"). The intangible assets of Dreyfuss Group had been fully impaired in previous years.

Intangible assets with indefinite useful lives amounted to HK\$2,850,000 (2019: HK\$2,850,000) and HK\$4,396,000 (2019: HK\$4,396,000) are attributable to the CGU of Shun Heng Securities Limited ("Shun Heng") and Hong Kong Metasequoia Capital Management Limited ("Metasequoia Capital") respectively. Details of the impairment assessment of the CGU of Shun Heng and Metasequoia Capital are set out in note 30 to the consolidated financial statements.

Intangible assets with indefinite useful lives amounted to HK\$46,265,000 (2019: HK\$42,000,000) are attributable to the CGU of Ernest Borel Group. The recoverable amount of the CGU are determined by the directors based on fair value less costs of disposal. Details of the impairment assessment of the CGU of Ernest Borel Group are set out in note 30 to the consolidated financial statements.

## 29. 無形資產(續)

於二零二零年十二月三十一日，無形資產47,169,000港元(二零一九年：44,843,000港元)歸屬於自鐘錶及時計產品業務，而無形資產7,246,000港元(二零一九年：7,246,000港元)則歸屬於金融業務。

具有無限可使用年期之無形資產110,730,000港元(二零一九年：101,452,000港元)歸屬於現金產生單位崑崙集團。崑崙集團的無形資產於往年已全數減值。

具有無限可使用年期之無形資產101,216,000港元(二零一九年：98,214,000港元)及具有有限可使用年期之無形資產757,000港元(二零一九年：734,000港元)歸屬於現金產生單位The Dreyfuss Group Limited及其附屬公司(「帝福時集團」)。帝福時集團的無形資產於往年已全數減值。

具有無限使用年期之無形資產2,850,000港元(二零一九年：2,850,000港元)及4,396,000港元(二零一九年：4,396,000港元)分別歸屬於現金產生單位信亨證券有限公司(「信亨」)及香港水杉資產管理有限公司(「水杉資產」)。現金產生單位信亨及水杉資產之減值評估詳情載於綜合財務報表附註30。

具有無限使用年期之無形資產46,265,000港元(二零一九年：42,000,000港元)歸屬於現金產生單位依波路集團。該現金產生單位可收回金額經董事按照公平值減出售成本釐定。現金產生單位依波路集團之減值評估詳情載於綜合財務報表附註30。

### 30. GOODWILL

The amount of goodwill capitalised as an asset recognised in the consolidated statement of financial position, arising from business combinations, is as follows:

### 30. 商譽

業務合併產生之於綜合財務狀況表內確認為資產之資本化商譽金額如下：

|                               |              | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|-------------------------------|--------------|----------------------------------|----------------------------------|
| <b>At 1 January</b>           | 於一月一日        |                                  |                                  |
| Gross carrying amount         | 賬面總值         | 1,210,135                        | 1,213,345                        |
| Accumulated impairment losses | 累計減值虧損       | (145,084)                        | (141,793)                        |
| Net carrying amount           | 賬面淨值         | 1,065,051                        | 1,071,552                        |
| <b>Year ended 31 December</b> | 截至十二月三十一日止年度 |                                  |                                  |
| Opening carrying amount       | 年初賬面值        | 1,065,051                        | 1,071,552                        |
| Exchange realignment          | 匯兌調整         | 79,020                           | (6,501)                          |
| Closing carrying amount       | 年末賬面值        | 1,144,071                        | 1,065,051                        |
| <b>At 31 December</b>         | 於十二月三十一日     |                                  |                                  |
| Gross carrying amount         | 賬面總值         | 1,296,629                        | 1,210,135                        |
| Accumulated impairment losses | 累計減值虧損       | (152,558)                        | (145,084)                        |
| Net carrying amount           | 賬面淨值         | 1,144,071                        | 1,065,051                        |

## 30. GOODWILL (Continued)

For the purpose of impairment testing, goodwill is allocated to the CGUs under watch and timepieces segment and banking and financial businesses segment. The CGUs were identified as follows:

|   | Segment<br>分類                     | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|-----------------------------------|----------------------------------|----------------------------------|
| Jia Cheng Investment Limited and its subsidiaries<br>佳城投資有限公司及其附屬公司 | Watches and timepieces<br>鐘錶及時計產品 | 649,530                          | 611,694                          |
| Corum Group<br>崑崙集團   | Watches and timepieces<br>鐘錶及時計產品 | 54,471                           | 49,907                           |
| Dreyfuss Group<br>帝福時集團   | Watches and timepieces<br>鐘錶及時計產品 | 98,087                           | 95,176                           |
| Bendura Group<br>富地集團   | Banking business<br>銀行業務          | 269,549                          | 246,961                          |
| Shun Heng<br>信亨   | Financial business<br>金融業務        | 801                              | 801                              |
| Metasquoia Capital<br>水杉資產  | Financial business<br>金融業務        | 2,279                            | 2,279                            |
| Ernest Borel<br>依波路集團   | Watches and timepieces<br>鐘錶及時計產品 | 221,912                          | 203,317                          |
| Gross carrying amount<br>賬面總值                                       |                                   | 1,296,629                        | 1,210,135                        |

The Group's management has engaged Asset Appraisal to perform valuations for the purpose to assess the recoverable amount of the goodwill arising from the acquisitions. The keys assumptions as adopted in the valuations, including the expected profit margins and the managements' expectations for the future market performance.

## 30. 商譽(續)

就進行減值測試，商譽分配至鐘錶及時計分類以及銀行及金融業務分類之現金產生單位。現金產生單位已識別為：

本集團管理層已委聘中誠達進行估值，以評估收購所產生商譽之可收回金額。估值時採納之主要假設包括預期邊際溢利及管理層對日後市場表現的預測。

### 30. GOODWILL (Continued)

#### Jia Cheng Investment Limited and its subsidiaries

The recoverable amount of this CGU is determined based on a value-in-use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, followed by an extrapolation of expected cash flow at zero growth rate (2019: zero) which do not exceed the long-term growth rate for the business in which the CGU operates, and a discount rate of 17.05% per annum (2019: 21%). The discount rate used is pre-tax and reflect specific risks relating to the CGU. The directors believe that any reasonably possible changes in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable of the CGU as at 31 December 2020 and 2019. No impairment loss was recognised for this CGU since the acquisition of Jia Cheng Investment Limited and its subsidiaries.

#### Corum Group

The goodwill arising from the acquisition of Corum Group in the watch and timepieces segment had been fully impaired in previous years.

#### Dreyfuss Group

The goodwill arising from the acquisition of Dreyfuss Group in the watch and timepieces segment had been fully impaired in previous years.

#### Bendura Group

The recoverable amount of this CGU is determined based on a value-in-use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, followed by an extrapolation of expected cash flow at zero growth rate (2019: zero) which do not exceed the long-term growth rate for the business in which the CGU operates, and a discount rate of 14.77% (2019: 14.49%) per annum. The discount rate used is pre-tax and reflect specific risks relating to the CGU. The directors believe that any reasonably possible changes in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable of the CGU as at 31 December 2020 and 2019. No impairment loss was recognised for this CGU since the acquisition of Bendura Group.

### 30. 商譽(續)

#### 佳城投資有限公司及其附屬公司

該現金產生單位之可收回金額乃以計算使用價值釐定，有關計算使用董事所批准覆蓋五年期之財務預算之現金流量預測，再按零增長率(二零一九年：零)(其不超過於現金產生單位經營之業務之長期增長率)及年貼現率17.05%(二零一九年：21%)推斷預期現金流量。所用貼現率為反映現金產生單位特定風險之除稅前比率。董事認為，根據主要假設之任何合理可能變動計得之可收回金額不會致使賬面總值超過現金產生單位於二零二零年及二零一九年十二月三十一日之可收回款項總額。收購佳城投資有限公司及其附屬公司後，該現金產生單位並無確認減值虧損。

#### 崑崙集團

因收購崑崙集團於鐘錶及時計產品分類產生的商譽於往年已全數減值。

#### 帝福時集團

因收購帝福時集團於鐘錶及時計產品分類產生的商譽於往年已全數減值。

#### 富地集團

該現金產生單位之可收回金額乃以計算使用價值釐定，有關計算使用董事所批准覆蓋五年期之財務預算之現金流量預測，再按增長率零(二零一九年：零)(其不超過於現金產生單位經營之業務之長期增長率)及年貼現率14.77%(二零一九年：14.49%)推斷預期現金流量。所用貼現率為反映現金產生單位特定風險之除稅前比率。董事認為，根據主要假設之任何合理可能變動計得之可收回金額不會致使賬面總值超過現金產生單位於二零二零年及二零一九年十二月三十一日之可收回款項總額。自收購富地集團以來並無確認該現金產生單位之減值虧損。

### 30. GOODWILL (Continued)

#### Shun Heng

The recoverable amounts of these CGUs are determined by the directors based on fair value less costs of disposal. The determination of fair value less costs of disposal is based on the recent similar transactions in the market. The fair value less cost of disposal of these CGUs are level 3 recurring fair value measurement. The key significant unobservable inputs to determine the fair value less cost of disposal are the discount specific to uncertainty on expected profitability of those CGUs. The higher in the discount would result in a lower the fair value less cost of disposal of the CGUs, and vice versa. The directors of the Company concluded that, based on the assessment result, no impairment loss on goodwill has been recognised for the year. (2019: Nil)

#### Metasequoia Capital

The recoverable amount of this CGU is determined based on a value-in-use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five-year period, followed by an extrapolation of expected cash flow at zero growth rate (2019: Zero) which do not exceed the long-term growth rate for the business in which the CGU operates, and a discount rate of 21.2% (2019: 22%) per annum. The discount rate used is pre-tax and reflect specific risks relating to the CGU. The directors believe that any reasonably possible changes in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable of the CGU as at 31 December 2020 and 2019. No impairment loss was recognised for the year (2019: Nil).

#### Ernest Borel

The recoverable amount of the CGU are determined by the directors based on fair value less costs of disposal. The determination of fair value less costs of disposal is based on the market price of Ernest Borel's share. The fair value less cost of disposal of the CGU is level 1 fair value measurement. The directors of the Company concluded that, based on the assessment result, no impairment loss on goodwill has been recognised for the year. (2019: Nil)

#### Goodwill arising from business combinations prior to 2001

Goodwill arising from business combinations prior to 2001 had been eliminated against the consolidated reserves. As at 31 December 2020, the carrying amount of goodwill in the consolidated reserves was HK\$15,300,000 (2019: HK\$15,300,000).

### 30. 商譽(續)

#### 信亨

該等現金產生單位之可收回金額由董事根據公平值減出售成本釐定。釐定公平值減出售成本乃基於近期市場上之類似交易。該等現金產生單位之公平值減出售成本為第三層經常性公平值計量。釐定公平值減出售成本之主要重大不可觀察輸入數值為該等現金產生單位預期盈利不確定因素之特有貼現率。貼現越高，現金產生單位之公平值減出售成本越低，反之亦然。本公司董事之結論為，基於評估結果，本年度並無確認商譽減值虧損(二零一九年：無)。

#### 水杉資產

該現金產生單位之可收回金額乃以計算使用價值釐定，有關計算使用董事所批准覆蓋五年期之財務預算之現金流量預測，再按零增長率(二零一九年：零)(其不超過於現金產生單位經營之業務之長期增長率)及年貼現率21.2%(二零一九年：22%)推斷預期現金流量。所用貼現率為反映現金產生單位特定風險之除稅前比率。董事認為，根據主要假設之任何合理可能變動計得之可收回金額不會致使賬面總值超過現金產生單位於二零二零年及二零一九年十二月三十一日之可收回款項總額。本年度並無確認減值虧損(二零一九年：無)。

#### 依波路

現金產生單位之可收回金額由董事按公平值減出售成本釐定。釐定公平值減出售成本乃基於依波路股份之市場價格。現金產生單位之公平值減出售成本為第一層公平值計量。本公司董事之結論為，基於評估結果，本年度並無確認商譽減值虧損(二零一九年：無)。

#### 二零零一年前業務合併產生之商譽

於二零零一年前業務合併產生之商譽已於綜合儲備對銷。於二零二零年十二月三十一日，於綜合儲備內之商譽賬面值為15,300,000港元(二零一九年：15,300,000港元)。



## 31. OTHER ASSETS

## 31. 其他資產

|  |                        | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|------------------------|----------------------------------|----------------------------------|
| Other receivables                                    | 其他應收款                  | 182,385                          | 172,260                          |
| Dividend receivable from an associate<br>(note 46.1) | 應收一間聯營公司股息<br>(附註46.1) | 10,000                           | 5,000                            |
| Amounts due from an associate (note 46.1)            | 應收一間聯營公司款項<br>(附註46.1) | 18,315                           | 18,315                           |
| Amounts due from related companies<br>(note 46.1)    | 應收關連公司款項(附註46.1)       | 1,065                            | 1,065                            |
| Prepayments  | 預付款項                   | 95,002                           | 118,395                          |
| Deposits   | 按金                     | 23,770                           | 67,107                           |
| Management and performance fees<br>receivables       | 應收管理及履約費               | 11,636                           | 10,182                           |
| Other interest receivables                           | 其他應收利息                 | 28,240                           | 24,387                           |
| Settlement and clearing account                      | 交收及結算賬戶                | 461                              | 160                              |
|  |                        | <b>370,874</b>                   | <b>416,871</b>                   |

Other receivables represented cash advance to staff, VAT receivable, other advances and deposits in the securities accounts.

其他應收款即指預付員工之現金、增值稅應收款項、其他墊款及證券賬戶存款。

As at 31 December 2020, the amount of the Group's other assets expected to be recovered or recognised as expense after one year is HK\$7,144,000 (2019: HK\$8,100,000). The remaining other assets are expected to be recovered or recognised as expense within one year.

於二零二零年十二月三十一日，本集團其他資產預計將於一年後收回或確認為開支之金額為7,144,000港元(二零一九年：8,100,000港元)。餘下其他資產預計於一年內收回或確認為開支。

Movements in expected credit losses for the other assets are as follows:

其他資產之預期信貸虧損變動如下：

|                                     |          | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|-------------------------------------|----------|----------------------------------|----------------------------------|
| At 1 January                        | 於一月一日    | 7,111                            | 5,313                            |
| Expected credit losses for the year | 年內預期信貸虧損 | 826                              | 2,167                            |
| Exchange realignment                | 匯兌調整     | 440                              | (369)                            |
| At 31 December                      | 於十二月三十一日 | <b>8,377</b>                     | <b>7,111</b>                     |

## 32. DUE TO CLIENTS

|  |                       | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|-----------------------|----------------------------------|----------------------------------|
| Due to clients – precious metals                   | 應付客戶款項 – 貴金屬          | 130,119                          | 56,762                           |
| Other amounts due to clients, mainly bank deposits | 其他應付客戶款項<br>(主要為銀行存款) | 13,835,358                       | 11,906,290                       |
|  |                       | <b>13,965,477</b>                | 11,963,052                       |

## 32. 應付客戶款項

## 33. TRADE PAYABLES

|   |                           | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|---------------------------|----------------------------------|----------------------------------|
| Trade payables arising from watches and timepiece business (note a) | 鐘錶及時計產品業務產生之<br>應付賬款(附註a) | 245,246                          | 304,944                          |
| Trade payables arising from financial business (note b):            | 金融業務產生之應付賬款<br>(附註b):     |                                  |                                  |
| – Cash clients  | – 現金客戶                    | 107,208                          | 101,812                          |
| – Margin clients  | – 保證金客戶                   | 8,170                            | 1,269                            |
| – Clearing house  | – 結算所                     | –                                | 3,402                            |
|   |                           | <b>115,378</b>                   | 106,483                          |
| Trade payables  | 應付賬款                      | <b>360,624</b>                   | 411,427                          |

## 33. 應付賬款

(a) The credit terms of trade payables arising watches and timepieces business vary according to the terms agreed with different suppliers. Trade payables to watches and timepieces business are non-interest bearing.

(a) 鐘錶及時計產品業務產生之應付賬款之信貸期根據與不同供應商協定之條款而變。鐘錶及時計產品業務之應付賬款為不計息。

**33. TRADE PAYABLES** (Continued)

(a) (Continued)

Ageing analysis of trade payables arising from watches and timepieces business as at the reporting dates, based on the invoice dates, is as follows:

|               |       | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---------------|-------|----------------------------------|----------------------------------|
| 1 to 3 months | 1至3個月 | 190,025                          | 278,983                          |
| 4 to 6 months | 4至6個月 | 2,200                            | 6,977                            |
| Over 6 months | 超過6個月 | 53,021                           | 18,984                           |
|               |       | <b>245,246</b>                   | <b>304,944</b>                   |

(b) The settlement term of trade payables arising from securities dealing of the financial business is "T+2". Trade payables arising from securities dealing of financial business during the "T+2" period are current whereas those which are outstanding after the "T+2" period are repayable on demand.

**34. CONTRACT LIABILITIES**

The contract liabilities mainly represented the advance consideration received from customers. As at 31 December 2020, the aggregated amount of transaction price allocated to performance obligations under the Group's existing contract is HK\$13,824,000 (2019: HK\$18,565,000). The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur in the next 12 month.

**33. 應付賬款** (續)

(a) (續)

鐘錶及時計產品業務所產生之應付賬款按照發票日期於報告日之賬齡分析如下：

|               |       | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---------------|-------|----------------------------------|----------------------------------|
| 1 to 3 months | 1至3個月 | 190,025                          | 278,983                          |
| 4 to 6 months | 4至6個月 | 2,200                            | 6,977                            |
| Over 6 months | 超過6個月 | 53,021                           | 18,984                           |
|               |       | <b>245,246</b>                   | <b>304,944</b>                   |

(b) 證券買賣金融業務產生之應付賬款之結算期限為「T+2」。於「T+2」期間，證券買賣金融業務產生之應付賬款屬即期，而於「T+2」期間後，尚未償還之應付賬款則須按要求償還。

**34. 合約負債**

合約負債主要為自客戶收取之預付代價。於二零二零年十二月三十一日，分配至本集團現有合約下履約責任之交易價格總額為13,824,000港元（二零一九年：18,565,000港元）。未來，本集團將於或就完成工程確認預期收入，即預期將於未來12個月進行。

**34. CONTRACT LIABILITIES** (Continued)**Movement of contract liabilities**

|   |                | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|----------------|----------------------------------|----------------------------------|
| Balance as at 1 January   | 於一月一日之結餘       | 18,565                           | 30,918                           |
| Decrease in contract liabilities as a result of recognising revenue during the year | 因年內確認收益使合約負債減少 | (18,419)                         | (30,792)                         |
| Increase in contract liabilities as a result of receipts in advance                 | 因預收款項使合約負債增加   | 13,084                           | 18,588                           |
| Exchange realignment  | 匯兌調整           | 594                              | (149)                            |
| Balance as at 31 December   | 於十二月三十一日之結餘    | 13,824                           | 18,565                           |

**34. 合約負債** (續)**合約負債變動****35. CORPORATE BONDS****35. 公司債券**

|                                   |          | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|-----------------------------------|----------|----------------------------------|
| At 1 January                      | 於一月一日    | 760,244                          |
| Amortisation of transaction costs | 交易成本攤銷   | 2,729                            |
| Repayment of the bonds            | 償還債券     | (756,022)                        |
| Exchange realignment              | 匯兌調整     | (6,951)                          |
| At 31 December                    | 於十二月三十一日 | -                                |

On 24 July 2014, the Group issued CHF denominated corporate bonds of principal amount of CHF100,000,000 bears interest at 3.625% per annum. The interests of the corporate bonds are paid in arrears on 24 July every year. The corporate bonds are listed in SIX Swiss Exchange in Switzerland and guaranteed by the Company. The corporate bonds expired on 24 July 2019. The Group fully repaid the corporate bond upon its maturity during the year ended 31 December 2019.

於二零一四年七月二十四日，本集團發行瑞士法郎公司債券，本金額為100,000,000瑞士法郎，按年利率3.625%計息。該等公司債券利息於每年七月二十四日分期支付。該等公司債券於瑞士證券交易所上市及由本公司擔保。該等公司債券於二零一九年七月二十四日到期。截至二零一九年十二月三十一日止年度，本集團已悉數償還到期之公司債券。

## 36. BORROWINGS

## 36. 借貸

|                                 |                 | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---------------------------------|-----------------|----------------------------------|----------------------------------|
| Bank overdrafts (note 36.1)     | 銀行透支(附註36.1)    | 52,711                           | 48,294                           |
| Bank borrowings (note 36.1)     | 銀行借貸(附註36.1)    | 1,512,111                        | 1,676,685                        |
| Margin loan payable (note 36.2) | 應付保證金貸款(附註36.2) | -                                | 15,383                           |
|                                 |                 | <b>1,564,822</b>                 | <b>1,740,362</b>                 |

## 36.1 Bank overdrafts and bank borrowings

## 36.1 銀行透支及銀行借貸

Including in the bank borrowings that the syndicated loans with outstanding principal amount is HK\$732,630,000 (2019: HK\$817,702,000) as at 31 December 2020. On 16 July 2019, the Group entered into a facility agreement with a syndicated of banks ("Syndicated Banks"), in which Syndicated Banks agreed to grant a term loan facility in the amount up to US\$150,000,000 to the Group for a term of 36 months.

於二零二零年十二月三十一日，銀行借貸包括尚未償還本金為732,630,000港元(二零一九年：817,702,000港元)的銀團貸款。於二零一九年七月十六日，本集團與銀團銀行(「銀團銀行」)訂立融資協議，銀團銀行同意向本集團授出定期融資高達150,000,000美元，為期36個月。

As at 31 December 2020, the amount of the Group's bank overdrafts and bank borrowings repayable within one year or on demand is HK\$1,554,724,000 (2019: HK\$1,724,979,000).

於二零二零年十二月三十一日，本集團須於一年內償還或按要求償還之銀行透支及銀行借貸金額為1,554,724,000港元(二零一九年：1,724,979,000港元)。

**36. BORROWINGS** (Continued)**36.1 Bank overdrafts and bank borrowings** (Continued)

Based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause. Borrowings are repayable as follows:

|                              |          | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|------------------------------|----------|----------------------------------|----------------------------------|
| Borrowings payable:          | 應付借貸：    |                                  |                                  |
| Within one year or on demand | 於一年內或按要求 | 1,477,347                        | 1,724,979                        |
| In the second year           | 於第二年     | 5,696                            | -                                |
| In the third to fifth year   | 於第三至第五年  | 81,779                           | -                                |
|                              |          | 87,475                           | -                                |
|                              |          | 1,564,822                        | 1,724,979                        |

The abovementioned borrowings are charged at floating rates ranging from 0% to 5.94% (2019: 1.00% to 5.94%) per annum.

At the reporting dates, the Group's borrowings were secured by:

- (i) corporate guarantees provided by certain subsidiaries within the Group as at 31 December 2020 and 2019;
- (ii) entire equity interest of certain subsidiaries within the Group as at 31 December 2020 and 2019;
- (iii) subordination deeds signed by the Directors of the Group as at 31 December 2020;
- (iv) guarantee provided by the government of certain country as at 31 December 2020;
- (v) personal guarantee provided by a non-controlling interests of a subsidiary of the Group and certain independent third parties as at 31 December 2020;

**36. 借貸** (續)**36.1 銀行透支及銀行借貸** (續)

根據載於貸款協議之計劃還款日期，且不計及按要求償付條款之影響。借貸須按下列方式償付：

上述借貸按浮動年利率介乎0%至5.94% (二零一九年：1.00%至5.94%) 計息。

於報告日期，本集團之借貸以下列各項作抵押：

- (i) 本集團若干附屬公司於二零二零年及二零一九年十二月三十一日所提供之公司擔保；
- (ii) 本集團若干附屬公司於二零二零年及二零一九年十二月三十一日之全部股權；
- (iii) 本集團董事於二零二零年十二月三十一日簽署之次級契據；
- (iv) 若干國家政府於二零二零年十二月三十一日所提供之擔保；
- (v) 本集團一間附屬公司之非控股權益及若干獨立第三方於二零二零年十二月三十一日所提供之個人擔保；



## 36. BORROWINGS (Continued)

### 36.1 Bank overdrafts and bank borrowings (Continued)

- (vi) certain assets of the non-controlling interests of a subsidiary of the Group and certain independent third parties as at 31 December 2020;
- (vii) a legal charge over the Group's property, plant and equipment with the carrying amount of HK\$310,118,000 (2019: HK\$95,180,000) as at 31 December 2020;
- (viii) certain of the Group's trade receivables with the carrying amounts of HK\$13,484,000 as at 31 December 2019; and
- (ix) pledged bank deposits of HK\$111,763,000 as at 31 December 2019.

Certain of bank overdrafts and bank borrowings contain clause which give the banks the right at their sole discretion to demand immediate repayment at any time irrespective of whether the Group has complied with the covenants and met the scheduled repayment obligations. Borrowings due for repayment after one year which contain a repayment on demand clause and are expected to be settled within one year. The carrying amounts of the bank overdrafts and bank borrowings are approximate to their fair value.

As at 31 December 2020, one of the financial covenants as stipulated in the relevant agreements in respect of borrowings with outstanding principal of approximately HK\$784,630,000 was not satisfied. Accordingly, from accounting perspective, the aforesaid borrowings would be regarded as immediately due and payable should the lenders exercise their rights under the agreements as at 31 December 2020. HK\$52,000,000 of the abovementioned balance has been fully repaid subsequent to the reporting date and the relevant banks have granted a waiver to the Group for the remaining balance of HK\$732,630,000 in respect of the unsatisfied financial covenant before the date of authorisation of the financial statements.

## 36. 借貸(續)

### 36.1 銀行透支及銀行借貸(續)

- (vi) 本集團一間附屬公司之非控股權益及若干獨立第三方於二零二零年十二月三十一日之若干資產；
- (vii) 本集團於二零二零年十二月三十一日賬面值為310,118,000港元(二零一九年：95,180,000港元)之物業、廠房及設備之法定押記；
- (viii) 本集團於二零一九年十二月三十一日之賬面值為13,484,000港元之若干應收賬款；及
- (ix) 於二零一九年十二月三十一日111,763,000港元之已質押銀行存款。

若干銀行透支及銀行借貸包含給予銀行可要求於任何時間即時償付之全權酌情權之條文，而不論本集團是否已遵守契諾及符合計劃償付責任。於一年後到期償付之借貸部分包含按要求償付條文，且預期於一年內結付。銀行透支及銀行借貸賬面值與其公平值相若。

於二零二零年十二月三十一日，未能達成有關協議當中一項財務約定事項，有關借款的未償還本金約為784,630,000港元。因此，從會計角度，於二零二零年十二月三十一日倘貸款人根據協議行使權利，該筆貸款可被視為即時到期。上述結餘52,000,000港元已於報告日期後悉數償還，有關銀行已於財務報表授權刊發前就未達成財務約定事項的餘下結餘732,630,000港元向本集團授予豁免。

**36. BORROWINGS** (Continued)**36.2 Margin loan payable**

There is no margin loan payable as at 31 December 2020. For the year ended 31 December 2019, the interest rate of the margin loan payable is 4.84% per annum and repayable on demand. At 31 December 2019, margin loan payable was secured by the Group's trading portfolio investments with the carrying amount of HK\$109,815,000. The carrying amount of the margin loan payable is approximate to its fair value. As at 31 December 2019, margin loan payable of HK\$15,383,000 are attributable to financial business.

**36. 借貸** (續)**36.2 應付保證金貸款**

於二零二零年十二月三十一日，概無應付保證金貸款。截至二零一九年十二月三十一日止年度，應付保證金貸款之年利率為4.84%，並按要求償還。於二零一九年十二月三十一日，應付保證金貸款以本集團賬面值為109,815,000港元之交易組合投資擔保。應付保證金貸款賬面值與其公平值相若。於二零一九年十二月三十一日，應付保證金貸款15,383,000港元乃來自金融業務。

**37. PROVISIONS****37. 撥備**

|  |                  | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|------------------|----------------------------------|----------------------------------|
| <b>Provision for litigation and tax risks</b>  | <b>訴訟及稅務風險撥備</b> |                                  |                                  |
| At 1 January                                   | 於一月一日            | -                                | 476                              |
| Utilised in accordance with designated purpose | 根據指定用途動用         | <b>(1,654)</b>                   | -                                |
| Newly formed and charged to profit or loss     | 新成立及於溢利或虧損中扣除    | <b>1,907</b>                     | -                                |
| Released and credited to profit or loss        | 解除及計入溢利或虧損       | -                                | (394)                            |
| Exchange realignment                           | 匯兌調整             | <b>115</b>                       | (82)                             |
| At 31 December                                 | 於十二月三十一日         | <b>368</b>                       | -                                |
| <b>Maturity of the provisions</b>              | <b>撥備到期日</b>     |                                  |                                  |
| Within one year                                | 一年內              | <b>368</b>                       | -                                |

During the year ended 31 December 2020, provision for litigation risks of HK\$1,907,000 (2019: reversal of provision of HK\$394,000) has been recognised in the consolidated statement of comprehensive income.

As part of the normal business activities of banking business, the Group is exposed to a wide range of legal risks. These include in particular risks relating to litigation. The Group recognises provisions for such litigation risks if the Group's management and its legal advisors are of the opinion that an outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount. The amount of the provisions and their timing are by their nature subject to uncertainty. However, these uncertainties are evaluated as being low since it was possible to reliably estimate the individual amounts and the majority of the recognised provisions will probably become due within one year.

截至二零二零年十二月三十一日止年度，訴訟風險撥備1,907,000港元(二零一九年：撥回撥備394,000港元)已於綜合全面收入表中確認。

作為銀行業務日常業務活動一部分，本集團面臨多類法律風險。該等風險包括與訴訟有關之特定風險。倘本集團管理層及其法律顧問認為體現經濟利益之資源可能流出且金額能可靠估計，則本集團就該訴訟風險確認撥備。撥備金額及其時間根據其性質受不確定因素規限。然而，由於能可靠地估計個別金額及大多數已確認撥備可能於一年內到期，故此經評估該等不確定因素為低。

### 38. LEASE LIABILITIES

The amount included in the consolidated statement of financial position in respect of the carrying amounts of lease liabilities and the movements during the year is as follows:

### 38. 租賃負債

年內計入綜合財務狀況表內有關租賃負債賬面值的金額以及變動如下：

|  |                             | <b>Land and<br/>buildings</b> | <b>Motor<br/>vehicles</b> | <b>Total</b>    |
|--|-----------------------------|-------------------------------|---------------------------|-----------------|
|  |                             | 土地及樓宇                         | 汽車                        | 總計              |
|  |                             | HK\$'000                      | HK\$'000                  | HK\$'000        |
|  |                             | 千港元                           | 千港元                       | 千港元             |
| As at 1 January 2019                         | 於二零一九年一月一日                  | 90,627                        | –                         | 90,627          |
| Additions                                    | 添置                          | 18,019                        | 2,143                     | 20,162          |
| Interest expenses                            | 利息開支                        | 4,549                         | 84                        | 4,633           |
| Lease modification                           | 租賃修改                        | 10,099                        | –                         | 10,099          |
| Lease payments                               | 租賃付款                        | (41,822)                      | (291)                     | (42,113)        |
| Exchange realignment                         | 匯兌調整                        | 564                           | 3                         | 567             |
| As at 31 December 2019 and<br>1 January 2020 | 於二零一九年十二月三十一日<br>及二零二零年一月一日 | <b>82,036</b>                 | <b>1,939</b>              | <b>83,975</b>   |
| Additions                                    | 添置                          | <b>4,875</b>                  | –                         | <b>4,875</b>    |
| Interest expenses                            | 利息開支                        | <b>3,327</b>                  | <b>64</b>                 | <b>3,391</b>    |
| Lease modification                           | 租賃修改                        | <b>8,926</b>                  | –                         | <b>8,926</b>    |
| Lease payments                               | 租賃付款                        | <b>(44,451)</b>               | <b>(536)</b>              | <b>(44,987)</b> |
| Exchange realignment                         | 匯兌調整                        | <b>1,341</b>                  | <b>49</b>                 | <b>1,390</b>    |
| As at 31 December 2020                       | 於二零二零年十二月三十一日               | <b>56,054</b>                 | <b>1,516</b>              | <b>57,570</b>   |

**38. LEASE LIABILITIES** (Continued)

Future lease payments are due as follows:

|   |                        | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|------------------------|----------------------------------|----------------------------------|
| Minimum lease payment due                 | 最低租賃付款到期狀況             |                                  |                                  |
| – Within one year                         | – 一年內                  | 35,755                           | 42,987                           |
| – In the second to fifth years, inclusive | – 第二至第五年<br>(首尾兩年包括在內) | 18,793                           | 40,190                           |
| – After fifth years                       | – 五年以上                 | 17,850                           | 16,584                           |
|   |                        | <b>72,398</b>                    | 99,761                           |
| Less: future interest expenses            | 減：未來利息開支               | <b>(14,828)</b>                  | (15,786)                         |
| Present value of lease liabilities        | 租賃負債現值                 | <b>57,570</b>                    | 83,975                           |

The present value of future lease payments are analysed as:

|                         |       | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|-------------------------|-------|----------------------------------|----------------------------------|
| Current liabilities     | 流動負債  | 34,291                           | 40,337                           |
| Non-current liabilities | 非流動負債 | 23,279                           | 43,638                           |
|                         |       | <b>57,570</b>                    | 83,975                           |

**38. 租賃負債** (續)

未來租賃付款的到期狀況如下：

|   |                        | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|------------------------|----------------------------------|----------------------------------|
| Minimum lease payment due                 | 最低租賃付款到期狀況             |                                  |                                  |
| – Within one year                         | – 一年內                  | 35,755                           | 42,987                           |
| – In the second to fifth years, inclusive | – 第二至第五年<br>(首尾兩年包括在內) | 18,793                           | 40,190                           |
| – After fifth years                       | – 五年以上                 | 17,850                           | 16,584                           |
|   |                        | <b>72,398</b>                    | 99,761                           |
| Less: future interest expenses            | 減：未來利息開支               | <b>(14,828)</b>                  | (15,786)                         |
| Present value of lease liabilities        | 租賃負債現值                 | <b>57,570</b>                    | 83,975                           |

未來租賃付款現值分析如下：

|                         |       | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|-------------------------|-------|----------------------------------|----------------------------------|
| Current liabilities     | 流動負債  | 34,291                           | 40,337                           |
| Non-current liabilities | 非流動負債 | 23,279                           | 43,638                           |
|                         |       | <b>57,570</b>                    | 83,975                           |

|  |             | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|-------------|----------------------------------|----------------------------------|
| Short term leases expenses                               | 短期租賃開支      | 18,014                           | 16,892                           |
| Aggregate undiscounted commitments for short term leases | 短期租賃未貼現承諾總額 | <b>9,134</b>                     | 3,901                            |

### 39. DEFERRED TAX

Deferred tax is calculated in full on temporary differences under the liability method using the applicable tax rates prevailing in the jurisdictions in which the Group operates.

Details of the Group's deferred tax assets/(liabilities) recognised and movements are as follows:

### 39. 遞延稅項

遞延稅項按負債法採用本集團業務所在司法權區之現行適用稅率就暫時差額全面計算。

本集團之已確認遞延稅項資產/(負債)及其變動詳情載列如下：

|   |                                   | Revaluation<br>of<br>intangible<br>assets | Revaluation<br>of property,<br>plant and<br>equipment | Tax losses              | Temporary<br>difference<br>arising<br>from bond<br>repurchase<br>購回債券<br>產生之<br>暫時差額 | Decelerated<br>tax<br>depreciation<br>減速稅項<br>折舊 | Other<br>temporary<br>differences<br>其他<br>暫時差額 | Total<br>總計     |
|---|-----------------------------------|---|---|-------------------------|--|--|---|-----------------|
|   |                                   | 重估<br>無形資產<br>HK\$'000<br>千港元             | 重估物業、<br>廠房及設備<br>HK\$'000<br>千港元                     | 稅項虧損<br>HK\$'000<br>千港元 | HK\$'000<br>千港元  | HK\$'000<br>千港元                                  | HK\$'000<br>千港元                                 | HK\$'000<br>千港元 |
| At 1 January 2019   | 於二零一九年一月一日                        | (11,397)                                  | (33,176)  | 4,506                   | 166  | 2,104  | (13,135)  | (50,932)        |
| Credited/(charged) to profit or loss<br>(note 11)                                   | 於溢利或虧損中計入/<br>(扣除)(附註11)          | -   | 379   | (242)                   | (166)  | 128  | 412   | 511             |
| Charge to other comprehensive<br>income   | 於其他全面收入中扣除                        | -   | -   | -                       | -  | -  | 1,342   | 1,342           |
| Exchange realignment  | 匯兌調整                              | (118)                                     | 363   | 47                      | -  | (4)  | 536   | 824             |
| At 31 December 2019 and<br>1 January 2020   | 於二零一九年十二月<br>三十一日及<br>二零二零年一月一日   | (11,515)                                  | (32,434)  | 4,311                   | -  | 2,228  | (10,845)  | (48,255)        |
| Credited/(charged) to profit or loss<br>(note 11)                                   | 於溢利或虧損中計入/<br>(扣除)(附註11)          | -   | 386   | (243)                   | -  | (986)  | 1,461   | 618             |
| Effect of change in Switzerland tax<br>rate credited to profit or loss<br>(note 11) | 於溢利或虧損中計入的<br>瑞士稅率變動之影響<br>(附註11) | -   | -   | -                       | -  | -  | 7,960   | 7,960           |
| Charge to other comprehensive<br>income   | 於其他全面收入中扣除                        | -   | -   | -                       | -  | -  | 44  | 44              |
| Exchange realignment  | 匯兌調整                              | 883                                       | (2,661)   | 45                      | -  | (95)   | 45  | (1,783)         |
| At 31 December 2020   | 於二零二零年十二月<br>三十一日                 | (10,632)                                  | (34,709)  | 4,113                   | -  | 1,147  | (1,335)   | (41,416)        |

### 39. DEFERRED TAX (Continued)

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of deferred tax balances for financial reporting purposes:

|                          |        | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--------------------------|--------|----------------------------------|----------------------------------|
| Deferred tax assets      | 遞延稅項資產 | 13,961                           | 11,626                           |
| Deferred tax liabilities | 遞延稅項負債 | (55,377)                         | (59,881)                         |
|                          |        | <b>(41,416)</b>                  | <b>(48,255)</b>                  |

As at 31 December 2020, the Group has estimated unused tax losses arising in Hong Kong of HK\$493,223,000 (2019: HK\$371,528,000), subject to the agreement of Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

As at 31 December 2020, the Group has estimated unused tax losses in United Kingdom of HK\$177,563,000 (2019: HK\$171,887,000), subject to the agreement of tax bureau in United Kingdom, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. No deferred tax assets (2019: nil) have been recognised in respect of these estimated unused tax losses as these were incurred by the companies that have been loss-making for some time.

As at 31 December 2020, the Group has estimated unused tax losses in Switzerland of HK\$1,332,094,000 (2019: HK\$1,211,787,000), subject to the agreement of tax bureau in Switzerland, that are available for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets of HK\$4,113,000 (2019: HK\$4,311,000) have been recognised in respect of these estimated unused tax losses to the extent of deferred tax liabilities recognised in respect of revaluation of identifiable assets as a result of the acquisitions. Deferred tax assets have not been recognised in respect of the estimated unused tax losses as these were incurred by the subsidiaries that have been loss-making for some time. These estimated unused tax losses will be available for offsetting against future taxable profit for a maximum period of five years from the reporting date.

### 39. 遞延稅項 (續)

為於綜合財務狀況表中呈報，若干遞延稅項資產及負債已予抵銷。以下為用於財務報告之遞延稅項結餘分析：

於二零二零年十二月三十一日，本集團於香港產生估計未動用稅項虧損493,223,000港元（二零一九年：371,528,000港元），有待與稅務局協議，可無期限用作抵銷產生虧損公司之日後應課稅溢利。

於二零二零年十二月三十一日，本集團於英國產生估計未動用稅項虧損177,563,000港元（二零一九年：171,887,000港元），有待與英國稅務局協議，可無限期用作抵銷產生虧損公司之日後應課稅溢利。並無就該等估計未動用稅項虧損確認遞延稅項資產（二零一九年：無），乃由於有關虧損產生自於一段時間內錄得虧損之公司。

於二零二零年十二月三十一日，本集團於瑞士產生估計未動用稅項虧損1,332,094,000港元（二零一九年：1,211,787,000港元），有待與瑞士稅務局協議，可用作抵銷產生虧損公司之日後應課稅溢利。以收購重估可識別資產之已確認遞延稅項負債為限，就該等估計未動用稅項虧損確認之遞延稅項資產為4,113,000港元（二零一九年：4,311,000港元）。並無就該等估計未動用稅項虧損確認遞延稅項資產，乃由於有關虧損產生自於一段時間內錄得虧損之附屬公司。該等估計未動用稅項虧損可用作抵銷最長為由報告日起計五年之日後應課稅溢利。



**39. DEFERRED TAX (Continued)**

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders during the year.

As at 31 December 2020, deferred taxation has not been provided in the consolidated financial statements in respect of temporary differences attributable to the profits earned by the PRC subsidiaries amounted to HK\$1,873,215,000 (2019: HK\$2,152,047,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

**40. OTHER LIABILITIES**

|                                  |          | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|----------------------------------|----------|----------------------------------|----------------------------------|
| Accruals                         | 應計費用     | 81,518                           | 105,794                          |
| Warranty provision               | 保養撥備     | 1,383                            | 5,485                            |
| Net defined benefit obligations  | 定額福利責任淨額 | 113,354                          | 90,908                           |
| Accrued interests and commission | 應計利息及佣金  | 11,332                           | 15,994                           |
| Other tax payable                | 其他應付稅款   | 30,644                           | 23,457                           |
| Interest payable                 | 應付利息     | 6,269                            | 47                               |
| Commission payable               | 應付佣金     | 34,308                           | 42,562                           |
| Other payables                   | 其他應付款    | 248,093                          | 212,109                          |
|                                  |          | <b>526,901</b>                   | <b>496,356</b>                   |

Other payables represented accrued management and performance fees, accrued services fee, accrued salaries and bonus, accrued audit fee and accrued other operating expenses.

As at 31 December 2020, the amount of the Group's other liabilities expected to be due after more than one year is HK\$115,480,000 (2019: HK\$97,136,000). The remaining other liabilities are expected to be due within one year.

**39. 遞延稅項(續)**

年內，本公司並無因向其股東支付股息而須承擔任何所得稅後果。

於二零二零年十二月三十一日，綜合財務報表並無就中國附屬公司所賺取溢利應佔之暫時差額 1,873,215,000 港元(二零一九年：2,152,047,000 港元)作出遞延稅項撥備，原因為本集團能夠控制撥回暫時差額之時間，加上暫時差額很可能不會於可見將來撥回。

**40. 其他負債**

|                                  | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|----------------------------------|----------------------------------|----------------------------------|
| Accruals                         | 81,518                           | 105,794                          |
| Warranty provision               | 1,383                            | 5,485                            |
| Net defined benefit obligations  | 113,354                          | 90,908                           |
| Accrued interests and commission | 11,332                           | 15,994                           |
| Other tax payable                | 30,644                           | 23,457                           |
| Interest payable                 | 6,269                            | 47                               |
| Commission payable               | 34,308                           | 42,562                           |
| Other payables                   | 248,093                          | 212,109                          |
|                                  | <b>526,901</b>                   | <b>496,356</b>                   |

其他應付款即指應計管理及履約費、應計服務費、應計工資及花紅、應計審計費及應計其他營運開支。

於二零二零年十二月三十一日，本集團預期超過一年後到期之其他負債金額為 115,480,000 港元(二零一九年：97,136,000 港元)。餘下其他負債預期將於一年內到期。

## 41. SHARE CAPITAL

## 41. 股本

|   |  | 2020<br>二零二零年               |                 | 2019<br>二零一九年               |                 |
|---|--|-----------------------------|-----------------|-----------------------------|-----------------|
|   |  | Number of<br>shares<br>股份數目 | HK\$'000<br>千港元 | Number of<br>shares<br>股份數目 | HK\$'000<br>千港元 |
|   |  | '000<br>千股                  |                 | '000<br>千股                  |                 |
| Authorised:<br>Ordinary shares of<br>HK\$0.10 each at<br>1 January and 31<br>December | 法定：<br>於一月一日及十二月<br>三十一日<br>每股面值0.10港元<br>之普通股 | 6,000,000                   | 600,000         | 6,000,000                   | 600,000         |
| Issued and fully paid:<br>At 1 January and<br>31 December                             | 已發行及繳足：<br>於一月一日及<br>十二月三十一日                   | 4,351,889                   | 435,189         | 4,351,889                   | 435,189         |

## 42. RESERVES

## 42. 儲備

**Group**

The amounts of the Group's reserves and movements therein during the year are presented in the consolidated statement of changes in equity.

The share premium account mainly includes shares issued at a premium.

The share options reserve represents the cumulative expenses recognised on the granting of share options to the employees over the vesting period.

Other reserve represents (i) the cumulative expenses recognised on the granting of share options to an independent third party and (ii) the effect of transactions with non-controlling interests as disclosed in note 47 to the consolidated financial statements and (iii) the effect of the redemption of convertible bond.

Certain amounts of goodwill arising on the acquisition of subsidiaries in prior years remain eliminated against the consolidated reserves.

In accordance with the PRC regulations, certain of the Group's subsidiaries established in the PRC are required to transfer part of their profits after tax to the statutory reserve before profit distributions are made. The amounts of the transfers are subject to the approval of the boards of the directors of these subsidiaries, in accordance with their joint venture agreements and/or articles of association. The statutory reserve is non-distributable and has restricted use.

**本集團**

本集團於年度之儲備數額及有關變動於綜合權益變動表中呈列。

股份溢價賬主要包括按溢價發行之股份。

認購股份權儲備指於歸屬期間向僱員授出認購股份權中確認之累計開支。

其他儲備指(i)向一名獨立第三方授出認購股份權中確認之累計開支；(ii)與非控股權益進行交易之影響(於綜合財務報表附註47披露)及(iii)贖回可換股債券之影響。

於過往年度收購附屬公司所產生之若干商譽仍於綜合儲備對銷。

按照中國法規，本集團若干於中國成立之附屬公司於作出溢利分派前，須將其部分除稅後溢利轉撥至法定儲備。轉撥款額須由該等附屬公司之董事會按各自之合營協議及／或公司章程細則批准。法定儲備不可分派，且用途有所限制。

**42. RESERVES** (Continued)**Group** (Continued)

Exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations in accordance with the accounting policy adopted in note 4.23.

Fair value through other comprehensive income reserve represents gains or losses on remeasuring the financial assets classified as financial assets at fair value through other comprehensive income.

Revaluation reserve for property, plant and equipment is the revaluation gain arising from the transfer of property, plant and equipment to investment properties.

**Company**

The reserves of the Company as at 31 December 2020 and 2019 are as follows:

|  |                         | Share premium account    | Fair value through other comprehensive income reserve<br>按公平值計入其他全面收入儲備 | Other reserve           | Retained profits        | Total                 |
|--|-------------------------|--------------------------|---|-------------------------|-------------------------|-----------------------|
|  |                         | 股份溢價賬<br>HK\$'000<br>千港元 | 全面收入儲備<br>HK\$'000<br>千港元   | 其他儲備<br>HK\$'000<br>千港元 | 保留溢利<br>HK\$'000<br>千港元 | 總額<br>HK\$'000<br>千港元 |
| At 1 January 2019                                  | 於二零一九年一月一日              | 682,028                  | 95,802  | 22,693                  | -                       | 800,523               |
| Profit and total comprehensive income for the year | 本年度溢利及全面收入總額            | -                        | (182,185)   | -                       | 142,330                 | (39,855)              |
| At 31 December 2019 and 1 January 2020             | 於二零一九年十二月三十一日及二零二零年一月一日 | 682,028                  | (86,383)  | 22,693                  | 142,330                 | 760,668               |
| Profit and total comprehensive income for the year | 本年度溢利及全面收入總額            | -                        | 44,212  | -                       | 242,584                 | 286,796               |
| At 31 December 2020                                | 於二零二零年十二月三十一日           | 682,028                  | (42,171)  | 22,693                  | 384,914                 | 1,047,464             |

Under the Companies Law Cap. 22, (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which a dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

**42. 儲備** (續)**本集團** (續)

根據附註4.23內所採納之會計政策，外匯儲備包括換算海外業務財務報表所產生之所有匯兌差額。

按公平值計入其他全面收入儲備指重新計量分類為按公平值計入其他全面收入之金融資產之金融資產之收益或虧損。

物業、廠房及設備重估儲備為將物業、廠房及設備轉撥至投資物業時產生之重估收益。

**本公司**

本公司於二零二零年及二零一九年十二月三十一日之儲備如下：

根據開曼群島公司法第22章(一九六一年第3條法例，經綜合及修訂)，本公司股份溢價賬之資金可供分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中到期之債務。

### 43. OPERATING LEASE ARRANGEMENTS/ COMMITMENTS

43.1 At 31 December 2019 and 2020, total future minimum lease receipts by the Group under non-cancellable operating leases are as follows:

|                             |         | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|-----------------------------|---------|----------------------------------|----------------------------------|
| Within one year             | 一年內     | 3,242                            | 3,657                            |
| In the first to second year | 第一年至第二年 | 1,209                            | 1,343                            |
| In the second to third year | 第二年至第三年 | 1,209                            | 1,221                            |
| In the third to fourth year | 第三年至第四年 | 1,209                            | 1,221                            |
| In the fourth to fifth year | 第四年至第五年 | -                                | 1,221                            |
|                             |         | <b>6,869</b>                     | <b>8,663</b>                     |

The Group leases certain of its properties under operating lease arrangements, with leases negotiated for initial terms ranging from one to five years. None of the leases include contingent rentals.

43.2 The Group is required to pay an annual fee in respect of the leasehold land in the PRC from 1992 up to 2042 with a 20% increment for every five years. During the year ended 31 December 2020, an annual fee of HK\$559,000 (2019: HK\$567,000) was charged as an expense in profit or loss of the Group.

### 43. 經營租約安排／承擔

43.1 於二零一九年及二零二零年十二月三十一日，根據不可註銷之經營租約，本集團應收未來最低租賃款項總額如下：

本集團根據經營租約安排租賃若干物業，議定之初步租約為期一年至五年不等。該等租約不包括或然租金。

43.2 本集團自一九九二年至二零四二年止，須就中國之一幅租賃土地支付年費，年費每五年增加20%。截至二零二零年十二月三十一日止年度，年費559,000港元(二零一九年：567,000港元)已於本集團溢利或虧損內按開支支銷。

## 44. CAPITAL COMMITMENTS

At the reporting date, the Group had the following outstanding commitments:

## 44. 資本承擔

於報告日，本集團未履行之承擔如下：

|  |                               | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|-------------------------------|----------------------------------|----------------------------------|
| <b>Contracted, but not provided for</b>  | <b>已訂約但未撥備</b>                |                                  |                                  |
| - Capital contribution to a property project (note (a))                          | - 向一個物業項目注資 (附註(a))           | -                                | 212,652                          |
| - Investment in an associate – Citychamp Allied International Limited (note (b)) | - 於聯營公司之投資—冠城聯合國際有限公司 (附註(b)) | <b>270,000</b>                   | 270,000                          |
|  |                               | <b>270,000</b>                   | 482,652                          |

Notes:

- (a) During the year ended 31 December 2019, EBOHR Luxuries International Ltd (“EBOHR”), a wholly-owned subsidiary of the Company, entered into an agreement with several independent third parties for the property project in the PRC. Pursuant to the agreement, EBOHR agreed to contribute the capital amount up to HK\$212,652,000 into the property project. EBOHR has withdrawn from the project during the year ended 31 December 2020.
- (b) On 28 September 2016, Union United Investment Limited (“Union United”), a wholly-owned subsidiary of the Company, entered into an agreement with Citychamp Dartong (Hong Kong) Limited (“CD(HK)”) and Fengrong Investment (Hong Kong) Company Limited (“FI(HK)”), in relation to the formation of the joint venture company (“JV Company”) in the British Virgin Island. JV Company shall be owned as to 40% by FI(HK), 30% by CD(HK) and 30% by Union United. JV Company is engaged in potential overseas equity investment. Pursuant to the agreement, Union United agreed to contribute the maximum capital commitment of HK\$270,000,000 to JV Company. Details of the transaction are set out in the Company’s announcement dated 28 September 2016.

附註：

- (a) 截至二零一九年十二月三十一日止年度，本公司全資附屬公司依波精品(深圳)有限公司(「依波精品」)就中國物業項目與若干獨立第三方訂立協議。據此，依波精品同意向物業項目出資最多212,652,000港元。截至二零二零年十二月三十一日止年度，依波精品已退出該項目。
- (b) 於二零一六年九月二十八日，本公司之全資附屬公司聯和投資有限公司(「聯和」)與冠城大通(香港)有限公司(「冠城大通(香港)」)及豐裕投資(香港)有限公司(「豐裕投資(香港)」)訂立協議，內容有關於英屬處女群島成立合營公司(「合營公司」)。豐裕投資(香港)、冠城大通(香港)及聯和將分別擁有合營公司40%、30%及30%權益。合營公司從事潛在境外股本投資業務。根據該協議，聯和同意向合營公司作出最高資本承擔270,000,000港元。交易詳情載於本公司日期為二零一六年九月二十八日之公佈。

## 45. OFF BALANCE SHEET ITEMS

## 45. 資產負債表外項目

|   |             | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|-------------|----------------------------------|----------------------------------|
| Irrevocable commitments                       | 不可收回承擔      | 34,122                           | 20,983                           |
| Contract volume                               | 合約量         | 4,575,516                        | 4,531,412                        |
| Fiduciary transactions with third-party banks | 與第三方銀行之信託交易 | 407,207                          | 2,582,678                        |
|   |             | <b>5,016,845</b>                 | <b>7,135,073</b>                 |

## 46. RELATED PARTY TRANSACTIONS

## 46. 關連人士交易

46.1 Save as disclosed elsewhere in these consolidated financial statements, the Group had the following transactions carried out with related parties:

46.1 除於綜合財務報表其他部分所披露者外，本集團曾與關連人士進行以下交易：

(i) Transactions with an associate, Fair Future and its subsidiaries

(i) 與一間聯營公司、俊光及其附屬公司之交易

|                      |        | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|----------------------|--------|----------------------------------|----------------------------------|
| Sales of goods       | 貨品銷售   | 94                               | 798                              |
| Purchases of goods   | 購買貨品   | 13,287                           | 37,122                           |
| Rental expenses paid | 已付租金開支 | 354                              | 354                              |
| Inspection fee paid  | 已付檢查費用 | 55                               | 47                               |
| Interest expenses    | 利息開支   | 1,095                            | 1,048                            |



## 46. RELATED PARTY TRANSACTIONS (Continued)

## 46. 關連人士交易 (續)

## 46.1 (Continued)

## (ii) Transactions between Shun Heng and the related parties of the Group

## 46.1 (續)

## (ii) 信亨與本集團關連人士之交易

| Name of related party<br>關連人士名稱  | Nature of transaction<br>交易性質                   | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|---|----------------------------------|----------------------------------|
| Directors of the company and their close family members<br>本公司董事及其直系親屬 | Services fees and commission income<br>服務費及佣金收入 | 10                               | 8                                |
|  | Interest income<br>利息收入                         | 4                                | 4                                |
| Related company<br>關連公司  | Services fees and commission income<br>服務費及佣金收入 | 92                               | 265                              |
|  | Interest income<br>利息收入                         | 8                                | 5                                |

Mr. Hon Kwok Lung, a director of the Company is also the director and beneficial owner of the related company.

本公司董事韓國龍先生亦為關連公司之董事及實益擁有人。

## 46. RELATED PARTY TRANSACTIONS (Continued)

## 46.1 (Continued)

## (iii) Outstanding related party balances included in trade receivables, other assets, trade payables and other liabilities

|  |                                    | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|------------------------------------|----------------------------------|----------------------------------|
| Dividend receivable from an associate <sup>#</sup> | 應收一間聯營公司股息 <sup>#</sup>            | 10,000                           | 5,000                            |
| Due from an associate (note (a)) <sup>#</sup>      | 應收一間聯營公司款項<br>(附註(a)) <sup>#</sup> | 18,315                           | 18,315                           |
| Trade receivables from associates                  | 應收聯營公司賬款                           | 4,108                            | 3,855                            |
| Due from related companies (note (b)) <sup>#</sup> | 應收關連公司款項(附註(b)) <sup>#</sup>       | 1,065                            | 1,065                            |
| Due to a shareholder (note (d))                    | 應付一名股東之款項(附註(d))                   | 12,000                           | 12,000                           |
| Trade payables to associates                       | 應付聯營公司賬款                           | 58,616                           | 50,595                           |
| Due to directors (note (c))                        | 應付董事款項(附註(c))                      | 21,233                           | 22,241                           |

<sup>#</sup> Included in other assets

Notes:

- (a) The balance was unsecured, interest-free and repayable on demand. The maximum outstanding balance of amounts due from associates during the year was HK\$18,315,000 (2019: HK\$18,315,000).
- (b) The amounts were due from companies of which Mr. Shang Jianguang, Ms. Sit Lai Hei and Mr. Hon Hau Wong, directors of the Company are also the directors of the related companies. The balance was unsecured, interest-free and repayable on demand. The maximum amount outstanding during the year was HK\$1,065,000 (2019: HK\$1,065,000).

## 46. 關連人士交易 (續)

## 46.1 (續)

## (iii) 計入應收賬款、其他資產、應付賬款及其他負債之未償付關連人士結餘

<sup>#</sup> 計入其他資產

附註：

- (a) 有關結餘為無抵押、免息及須應要求償還。於年內，最高未償付應收聯營公司款項結餘為18,315,000港元(二零一九年：18,315,000港元)。
- (b) 該等款項為應收公司款項，而本公司董事商建光先生、薛黎曦女士及韓孝煌先生亦為該等關連公司之董事。有關結餘為無抵押、免息及須應要求償還。於年內，最高未償付金額為1,065,000港元(二零一九年：1,065,000港元)。

**46. RELATED PARTY TRANSACTIONS** (Continued)

## 46.1 (Continued)

**(iii) Outstanding related party balances included in trade receivables, other assets, trade payables and other liabilities** (Continued)

Notes: (Continued)

(c) As at 31 December 2020, amounts due to Mr. Shang Jianguang and Mr. Teguh Halim, directors of the Company, of HK\$17,000,000 (2019: HK\$22,000,000) were unsecured, interest bearing 5% (2019: 5%) per annum and repayable within one year. During the year ended 31 December 2020, interest expense of HK\$946,000 (2019: HK\$241,000) was payable to the directors. The remaining balance of HK\$4,233,000 were unsecured, interest free and repayable within one year.

(d) As at 31 December 2020, amount due to a shareholder of aggregate principal amount of HK\$12,000,000 (2019: HK\$12,000,000) was unsecured, interest bearing at 5% per annum and repayable within one year.

**(iv) Financial guarantee provided to Fair Future**

As 31 December 2020, the Group has provided a corporate guarantee in respect of a banking facility of up to HK\$55,000,000 (2019: HK\$30,000,000) granted to Fair Future (note 49.1). The corporate guarantee is ending on the expiry of the term of the revolving loan facility.

The above transactions were conducted in accordance with the terms mutually agreed between the Group and the related companies controlled by the directors.

**46. 關連人士交易** (續)

## 46.1 (續)

**(iii) 計入應收賬款、其他資產、應付賬款及其他負債之未償付關連人士結餘** (續)

附註：(續)

(c) 於二零二零年十二月三十一日，應付本公司董事商建光先生及Teguh Halim先生款項17,000,000港元(二零一九年：22,000,000港元)為無抵押、按年利率5%(二零一九年：5%)計息及須於一年內償還。截至二零二零年十二月三十一日止年度，應向董事支付利息開支946,000港元(二零一九年：241,000港元)。餘下結餘4,233,000港元為無抵押、免息及須於一年內償還。

(d) 於二零二零年十二月三十一日，本金總額為12,000,000港元(二零一九年：12,000,000港元)的應付一名股東之款項為無抵押、按年利率5%計息及須於一年內償還。

**(iv) 向俊光提供之財務擔保**

於二零二零年十二月三十一日，本集團就授予俊光一項最多55,000,000港元(二零一九年：30,000,000港元)之銀行融資提供公司擔保(附註49.1)。公司擔保於循環貸款融資期限屆滿時終止。

上述交易乃按本集團與董事控制之關連公司互相協定之條款進行。

**46. RELATED PARTY TRANSACTIONS (Continued)****46.2 Key management personnel compensation:**

Included in staff costs are key management personnel compensation and comprises the following categories:

|                              |        | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|------------------------------|--------|----------------------------------|----------------------------------|
| Short-term employee benefits | 短期僱員福利 | 18,674                           | 28,759                           |
| Post-employment benefits     | 離職後福利  | 352                              | 347                              |
|                              |        | <b>19,026</b>                    | <b>29,106</b>                    |

The key management represents all directors of the Company. Further details of directors' emoluments are included in note 16.1 to the consolidated financial statements.

**46. 關連人士交易 (續)****46.2 主要管理人員之酬金：**

主要管理人員之酬金計入員工成本內，包括以下類別：

主要管理人員為本公司所有董事。有關董事酬金之進一步詳情載於綜合財務報表附註16.1。

**47. TRANSACTIONS WITH NON-CONTROLLING INTERESTS****(a) Deeded acquisition of additional interest in Bendura Group**

In May 2020, Bendura Bank AG ("Bendura Bank") repurchased 400 equity shares at cash consideration CHF326,000 (equivalent to HK\$2,610,000). Following the repurchase, the Company's effective equity interest in Bendura Group increased by 0.17%. The Group recognised a decrease in non-controlling interest of HK\$1,730,000 and a decrease in equity attributable to owners of the Company of HK\$880,000.

In June 2020, Bendura Bank repurchased 100 equity shares at cash consideration CHF45,000 (equivalent to HK\$369,000). Following the repurchase, the Company's effective equity interest in Bendura Group increased by 0.04%. The Group recognised a decrease in non-controlling interest of HK\$400,000 and a increase in equity attributable to owners of the Company of HK\$31,000. The effect of changes in the ownership interest of Bendura Group on the equity attributable to owners of the Company during the year is summarised as below:

**47. 與非控股權益之交易****(a) 視為收購富地集團之額外權益**

於二零二零年五月，富地銀行股份有限公司（「富地銀行」）以現金代價326,000瑞士法郎（相當於2,610,000港元）購回400股權益股。購回完成後，本公司於富地集團之實際股權增加0.17%。本集團確認非控股權益減少1,730,000港元及本公司擁有人應佔權益減少880,000港元。

於二零二零年六月，富地銀行以現金代價45,000瑞士法郎（相當於369,000港元）購回100股權益股。購回完成後，本公司於富地集團之實際股權增加0.04%。本集團確認非控股權益減少400,000港元及本公司擁有人應佔權益增加31,000港元。年內，富地集團擁有權益之變動對本公司擁有人應佔權益之影響概述如下：

## 47. TRANSACTIONS WITH NON-CONTROLLING INTERESTS (Continued)

### (a) Deeded acquisition of additional interest in Bendura Group (Continued)

|   |                   | 2020<br>二零二零年<br>HK\$'000<br>千港元 |
|---|-------------------|----------------------------------|
| Carrying amount of non-controlling interests acquired           | 已收購非控股權益之賬面值      | 2,130                            |
| Consideration paid for acquisition of non-controlling interests | 收購非控股權益已支付之代價     | (2,979)                          |
| Excess of consideration paid recognised within equity           | 於股權內確認之已支付代價之超出差額 | (849)                            |

### (b) Partial disposal of interests in Ernest Borel

In January and March 2019, the Group has disposed of aggregate 64,006,515 shares of Ernest Borel, representing approximately 18.42% equity interests of Ernest Borel at HK\$1.74 per share, the total consideration received for such disposal is HK\$111,371,000. Upon the Completion of the disposal, the Group effective interest in Ernest Borel decreased from 82.5% to 64.08%. The transaction has been accounted for an equity transaction with the non-controlling interests. The transaction cost for the equity transaction is HK\$4,887,000. The effect of changes in the ownership interests of Ernest Borel Group on the equity attributable to owners of the Company during the year is summarised as below:

|   |             | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|-------------|----------------------------------|
| Carrying amount of partial equity interest disposal | 出售部份股權之賬面值  | (47,443)                         |
| Consideration received for the disposal             | 出售獲取之代價     | 111,371                          |
| Gain on the disposal recognised within equity       | 於股權內確認之出售收益 | 63,928                           |

## 47. 與非控股權益之交易 (續)

### (a) 視為收購富地集團之額外權益 (續)

### (b) 部分出售依波路之權益

於二零一九年一月及三月，本集團以每股1.74港元出售依波路合共64,006,515股股份，約佔依波路股權之18.42%，出售有關權益獲取之總代價為111,371,000港元。出售完成後，本集團於依波路之實際權益由82.5%減少至64.08%。有關交易已作為與非控股權益之權益交易入賬。權益交易之交易成本為4,887,000港元。年內，依波路集團擁有權權益之變動對本公司擁有人應佔權益之影響概述如下：

## 47. TRANSACTIONS WITH NON-CONTROLLING INTERESTS (Continued)

### (c) Deeded acquisition of additional interest in Bendura Group

During the year ended 31 December 2019, Bendura Bank repurchased its 350 equity share at cash consideration of CHF189,000 (equivalent to HK\$1,490,000). Following the repurchase, the Company's effective equity interest in Bendura Group increased by 0.15% and the Company effectively hold 85.22% equity interest of Bendura Group. The Group recognised a decrease of in non-controlling interests of HK\$1,443,000 and a increase in equity attributable to owners of the Company of HK\$47,000. The effect of changes in the ownership interest of Bendura Group on the equity attributable to owners of the Company during the year is summarised as below:

## 47. 與非控股權益之交易 (續)

### (c) 視為收購富地集團之額外權益

截至二零一九年十二月三十一日止年度，富地銀行以現金代價189,000瑞士法郎（相當於1,490,000港元）購回350股權益股份。購回完成後，本公司實際持有富地集團之權益增加0.15%，本公司實際持有富地集團85.22%之股權。本集團確認非控股權益減少1,443,000港元及本公司擁有人應佔權益增加47,000港元。年內，富地集團擁有權權益之變動對本公司擁有人應佔權益之影響概述如下：

|   |                   | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|-------------------|----------------------------------|
| Carrying amount of non-controlling interests acquired           | 已收購非控股權益之賬面值      | 1,443                            |
| Consideration paid for acquisition of non-controlling interests | 收購非控股權益已支付之代價     | (1,490)                          |
| Excess of consideration paid recognised within equity           | 於股權內確認之已支付代價之超出差額 | (47)                             |



#### 47. TRANSACTIONS WITH NON-CONTROLLING INTERESTS (Continued)

#### 47. 與非控股權益之交易 (續)

(d) Effect of transactions with non-controlling interest on the equity attributable to owners of the Company for the year ended 31 December 2019

(d) 與非控股權益之交易對截至二零一九年十二月三十一日止年度本公司擁有人應佔權益之影響

|   |                           | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|---------------------------|----------------------------------|
| Change in equity attributable to owners of the Company arising from:  | 本公司擁有人應佔權益之變動來自：          |                                  |
| – Partial disposal of equity interest in Ernest Borel   | – 一部分出售依波路之股權             | 63,928                           |
| – Transaction cost for equity transaction regarding the partial disposal of equity interest in Ernest Borel | – 一部分出售依波路股權之權益交易的交易成本    | (4,887)                          |
| – Deemed acquisition additional equity interest in Bendura Bank   | – 視為收購富地銀行之額外股權           | (47)                             |
| Net effect for transactions with non-controlling interests on equity attributable to owners of the Company  | 與非控股權益進行交易對本公司擁有人應佔權益之淨影響 | 58,994                           |

## 48. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

## 48. 綜合現金流量表附註

Reconciliation of liabilities arising from financing activities:

融資活動產生之負債之對賬：

|  |                     | Borrowings<br>excluding<br>bank-overdrafts<br>借貸，<br>銀行透支除外<br>HK\$'000<br>千港元 | Due to a<br>shareholder<br>應付一名<br>股東之款項<br>HK\$'000<br>千港元 | Due to<br>directors<br>應付董事<br>之款項<br>HK\$'000<br>千港元 | Lease<br>liabilities<br>租賃負債<br>HK\$'000<br>千港元 |
|--|---------------------|--|---|---|---|
| <b>As at 1 January 2020</b>  | 於二零二零年一月一日          | 1,692,068  | 12,000  | 22,241  | 83,975  |
| Proceeds from new loans  | 新貸款之所得款項            | 765,148  | -   | -   | -   |
| Advance from directors   | 董事墊款                | -  | -   | 3,992   | -   |
| Repayment of loan  | 償還貸款                | -  | -   | (5,000)   | -   |
| Repayment of borrowings  | 償還借貸                | (939,838)  | -   | -   | -   |
| Repayment of principal portion of<br>the lease liabilities                     | 償還租賃負債本金部分          | -  | -   | -   | (41,596)  |
| Interest paid  | 已付利息                | (78,378)   | -   | (1,187)   | (3,391)   |
| <b>Total changes from financing cash flow</b>                                  | 融資現金流量變動總額          | <b>(253,068)</b>   | <b>-</b>  | <b>(2,195)</b>  | <b>(44,987)</b>                                 |
| <b>Other changes:</b>  | <b>其他變動：</b>        |  |   |   |   |
| Interest accrued   | 應計利息                | 78,378   | -   | 1,187   | 3,391   |
| Increase in lease liabilities from entering<br>into new leases during the year | 年內因訂立新租約使<br>租賃負債增加 | -  | -   | -   | 4,875   |
| Lease modification   | 租賃修改                | -  | -   | -   | 8,926   |
| Exchange adjustments   | 匯兌調整                | (5,267)  | -   | -   | 1,390   |
| <b>As at 31 December 2020</b>  | 於二零二零年十二月三十一日       | <b>1,512,111</b>   | <b>12,000</b>   | <b>21,233</b>   | <b>57,570</b>                                   |

#### 48. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

#### 48. 綜合現金流量表附註(續)

|   |                      | Borrowings<br>excluding<br>bank-overdrafts<br>借貸，<br>銀行透支除外<br>HK\$'000<br>千港元 | Corporate<br>bonds<br>公司債券<br>HK\$'000<br>千港元 | Due to a<br>shareholder<br>應付一名<br>股東之款項<br>HK\$'000<br>千港元 | Due to<br>directors<br>應付董事<br>之款項<br>HK\$'000<br>千港元 | Lease<br>liabilities<br>租賃負債<br>HK\$'000<br>千港元 |
|---|----------------------|--|---|---|---|---|
| <b>As at 1 January 2019</b>   | <b>於二零一九年一月一日</b>    | 1,032,367  | 760,244                                       | 73,000  | -   | 90,627  |
| Proceeds from new loans   | 新貸款之所得款項             | -  | -   | 12,000  | 22,000  | -   |
| Repayment of loan   | 償還貸款                 | -  | -   | (73,000)  | -   | -   |
| Proceeds from new borrowings  | 新借貸之所得款項             | 1,479,128  | -   | -   | -   | -   |
| Repayment of borrowings   | 償還借貸                 | (866,520)  | -   | -   | -   | -   |
| Redemption of corporate bonds   | 購回公司債券               | -  | (756,022)                                     | -   | -   | -   |
| Repayment of principal portion of<br>the lease liabilities                        | 償還租賃負債本金部分           | -  | -   | -   | -   | (37,480)  |
| Interest paid   | 已付利息                 | (60,786)   | (18,605)                                      | -   | -   | (4,633)   |
| <b>Total changes from financing cash<br/>flow</b>                                 | <b>融資現金流量變動總額</b>    | <b>551,822</b>   | <b>(774,627)</b>                              | <b>(61,000)</b>   | <b>22,000</b>   | <b>(42,113)</b>                                 |
| <b>Other changes:</b>   | <b>其他變動：</b>         |  |   |   |   |   |
| Interest accrued  | 應計利息                 | 71,841   | 18,605  | -   | 241   | 4,633   |
| Amortisation of transaction costs   | 交易成本攤銷               | -  | 2,729   | -   | -   | -   |
| Increase in lease liabilities from<br>entering into new leases during<br>the year | 年內因訂立新租約使<br>租賃負債增加  | -  | -   | -   | -   | 20,162  |
| Lease modification  | 租賃修改                 | -  | -   | -   | -   | 10,099  |
| Exchange adjustments  | 匯兌調整                 | 36,038   | (6,951)                                       | -   | -   | 567   |
| <b>As at 31 December 2019</b>   | <b>於二零一九年十二月三十一日</b> | <b>1,692,068</b>   | <b>-</b>                                      | <b>12,000</b>   | <b>22,241</b>   | <b>83,975</b>                                   |

## 49. CONTINGENT LIABILITIES

### 49.1 Financial guarantees

|                      |      | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|----------------------|------|----------------------------------|----------------------------------|
| Financial guarantees | 財務擔保 | 55,000                           | 30,000                           |

At 31 December 2020, the Group had provided a corporate to guarantee in respect of a banking facility of up to HK\$55,000,000 (2019: HK\$30,000,000) granted to an associate. The corporate guarantee is ending on the expiry of the term of the revolving loan facility. In the opinion of the directors, it is unlikely that a claim will be made against the Group and no cash outflow under the financial guarantee contract. The directors have assessed and considered the financial impact arising from the above guarantee is insignificant.

### 49.2 Credit card commitments

As 31 December 2020, the Group had contingent liability in relation to credit card commitments of approximately HK\$93,762,000 (2019: approximately HK\$93,462,000) given to third parties. Credit card commitments represents the undrawn amount of credit card limits. In the opinion of the directors, those credit commitments are given with collateral and the possibility of an outflow of economic resources is not probable.

## 49. 或然負債

### 49.1 財務擔保

於二零二零年十二月三十一日，本集團就一間聯營公司獲授最多55,000,000港元（二零一九年：30,000,000港元）之銀行融資提供公司擔保。公司擔保於循環貸款融資期限屆滿時終止。董事認為，根據財務擔保合約對本集團作出申索之機會甚微，且並無現金流出。董事已評估並認為上述擔保產生之財務影響並不重大。

### 49.2 信用卡承擔

於二零二零年十二月三十一日，本集團擁有就授予第三方之信用卡承擔之或然負債約93,762,000港元（二零一九年：約93,462,000港元）。信用卡承擔指信用卡額度之未提取金額。董事認為，該等信貸承擔是以抵押品之形式所提供，故經濟資源流出之可能性不大。

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has various financial assets and financial liabilities such as trading portfolio investments, derivative financial assets, cash and deposits, due from banks and clients, trade receivables, financial assets at fair value through other comprehensive income, other financial assets at amortised cost, other assets, derivative financial liabilities, due to banks and clients, trade payables, corporate bonds, borrowings, due to a shareholder, due to directors, lease liabilities and other liabilities, which arise directly from its operations. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk, fair value risk and equity price risk.

It is not the Group's policy to actively engage in the trading of financial instruments for speculative purposes. Its treasury department works under the policies approved by the directors and identifies ways to access financial markets and monitors the Group's financial risk exposures. Regular reports are provided to the directors. The board has reviewed and agreed policies periodically for managing each of these risks and they are summarised below.

## 50. 財務風險管理目標及政策

本集團有直接源自業務之金融資產及金融負債，例如交易組合投資、衍生金融資產、現金及存款、應收銀行及客戶款項、應收賬款、按公平值計入其他全面收入之金融資產、按攤銷成本列賬之其他金融資產、其他資產、衍生金融負債、應付銀行及客戶款項、應付賬款、公司債券、借貸、應付一名股東之款項、應付董事之款項、租賃負債及其他負債。本集團金融工具所產生主要風險為利率風險、外匯風險、信貸風險、流動資金風險、公平值風險及股本價格風險。

本集團之政策並非就投機目的積極買賣金融工具。其庫務部門根據經董事批准之政策行事，並確定涉足金融市場之方法及監察本集團所面對財務風險，並定期向董事提供報告。董事會定期檢討及協定管理上述各項風險之政策，有關政策概述如下。

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.1 Summary of financial assets and financial liabilities by category

The carrying amounts of the Group's financial assets and financial liabilities as recognised at 31 December 2020 and 2019 are categorised as follows:

## 50. 財務風險管理目標及政策(續)

### 50.1 金融資產及金融負債分類概要

於二零二零年及二零一九年十二月三十一日確認之本集團金融資產及金融負債賬面值分類如下：

|   |                   | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|-------------------|----------------------------------|----------------------------------|
| <b>Financial assets</b>   | <b>金融資產</b>       |                                  |                                  |
| Financial assets at fair value:                                   | 按公平值列賬之金融資產：      |                                  |                                  |
| – Due from banks  | – 應收銀行款項          | 130,055                          | 56,935                           |
| – Trading portfolio investments                                   | – 交易組合投資          | 80,310                           | 227,903                          |
| – Derivative financial assets                                     | – 衍生金融資產          | 29,224                           | 10,275                           |
|   |                   | <b>239,589</b>                   | <b>295,113</b>                   |
| Financial assets at amortised cost:                               | 按攤銷成本列賬之金融資產：     |                                  |                                  |
| – Cash and deposits   | – 現金及存款           | 5,612,645                        | 4,897,246                        |
| – Due from clients  | – 應收客戶款項          | 2,463,225                        | 2,093,250                        |
| – Due from banks  | – 應收銀行款項          | 5,336,205                        | 4,844,263                        |
| – Trade receivables   | – 應收賬款            | 391,747                          | 478,262                          |
| – Other financial assets at amortised cost                        | – 按攤銷成本列賬之其他金融資產  | 1,449,886                        | 1,307,960                        |
| – Other assets  | – 其他資產            | 258,809                          | 276,730                          |
|   |                   | <b>15,512,517</b>                | <b>13,897,711</b>                |
| Financial assets at fair value through other comprehensive income | 按公平值計入其他全面收入之金融資產 | <b>470,794</b>                   | <b>422,861</b>                   |
|   |                   | <b>16,222,900</b>                | <b>14,615,685</b>                |
| <b>Financial liabilities</b>                                      | <b>金融負債</b>       |                                  |                                  |
| Financial liabilities at fair value:                              | 按公平值列賬之金融負債：      |                                  |                                  |
| – Due to clients  | – 應付客戶款項          | 130,119                          | 56,762                           |
| – Derivative financial liabilities                                | – 衍生金融負債          | 31,334                           | 54,788                           |
|   |                   | <b>161,453</b>                   | <b>111,550</b>                   |
| Financial liabilities measured at amortised cost:                 | 按攤銷成本計量之金融負債：     |                                  |                                  |
| – Due to banks  | – 應付銀行款項          | 2,639                            | 17,968                           |
| – Due to clients  | – 應付客戶款項          | 13,835,358                       | 11,906,290                       |
| – Trade payables  | – 應付賬款            | 360,624                          | 411,427                          |
| – Borrowings  | – 借貸              | 1,564,822                        | 1,740,362                        |
| – Lease liabilities   | – 租賃負債            | 57,570                           | 83,975                           |
| – Due to a shareholder  | – 應付一名股東之款項       | 12,000                           | 12,000                           |
| – Due to directors  | – 應付董事之款項         | 21,233                           | 22,241                           |
| – Other liabilities   | – 其他負債            | 494,874                          | 467,414                          |
|   |                   | <b>16,349,120</b>                | <b>14,661,677</b>                |
|   |                   | <b>16,510,573</b>                | <b>14,773,227</b>                |

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.2 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from borrowings and bank deposits. Borrowings and bank deposits bearing variable rates and fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The interest rate and repayment terms of the borrowings outstanding at the end of the reporting period are disclosed in note 36.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings and bank deposits with a floating interest rate.

#### Sensitivity Analysis

At 31 December 2020, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's loss after income tax and increase/decrease the Group's retained profits by approximately HK\$16,427,000 (2019: increase/decrease the Group's profit after income tax and retained profits by approximately HK\$7,877,000). The assumed changes have no impact on the Group's other components of equity.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of reporting period. The assumed changes in interest rates are considered to be reasonably possible changes on observation of current market conditions and represent management's assessment of a reasonably possible change in interest rates over the next twelve month period.

The calculation is based on a change in average market interest rates for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variable are held constant. The sensitivity analysis for the year ended 31 December 2019 has been prepared on the same basis.

## 50. 財務風險管理目標及政策 (續)

### 50.2 利率風險

利率風險與金融工具之公平值或現金流量因市場利率變動而波動之風險有關。本集團之利率風險主要源自借貸及銀行存款。本集團分別因按浮息及定息計息之借貸及銀行存款面對現金流量利率風險及公平值利率風險。於報告期末尚未償還借貸之利率及償還條款於附註36披露。

本集團所面對市場利率變動風險主要與本集團按浮息計息之借貸及銀行存款有關。

#### 敏感度分析

於二零二零年十二月三十一日，假設所有其他因素維持不變，估計假如利率整體上調／下調50個基點，將導致本集團之除所得稅後虧損減少／增加及本集團之保留溢利增加／減少約16,427,000港元（二零一九年：本集團之除所得稅後溢利及保留溢利增加／減少約7,877,000港元）。所假設變動對本集團權益內其他項目並無影響。

上述敏感度分析乃假設利率於報告期末出現變動。利率之假設變動乃經觀察現行市況後被視為合理可能出現之變動，並為管理層對未來十二個月期間利率之合理可能變動之評估。

計算乃依據各期間市場平均利率變動及於各報告日所持對利率變動敏感度高之金融工具作出。所有其他因素保持不變。截至二零一九年十二月三十一日止年度之敏感度分析乃按相同基準編製。



## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.3 Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group mainly operates in Hong Kong, Switzerland, United Kingdom, Liechtenstein and the PRC with most of the transactions denominated and settled in HK\$, US\$, Euro, CHF, GBP and RMB. The Group's exposure to foreign currency risk primarily arise from certain financial instruments including financial assets at fair value through other comprehensive income, other assets, cash and deposits, due from clients and banks, trading portfolio investments, derivative financial assets, other financial assets at amortised cost, due to clients, derivative financial liabilities, other liabilities and borrowings which are denominated in US\$, Euro, CHF, GBP and RMB. The management continuously monitors the foreign exchange exposure.

The following table summarises the Group's major financial assets and financial liabilities denominated in currencies other than the functional currencies of the respective group companies as at 31 December 2020 and 2019.

## 50. 財務風險管理目標及政策(續)

### 50.3 外匯風險

外匯風險指金融工具之公平值或未來現金流量因匯率變動而波動之風險。本集團主要於香港、瑞士、英國、列支敦士登及中國經營，大部分交易以港元、美元、歐元、瑞士法郎、英鎊及人民幣列值及結算。本集團面對之外匯風險主要源自若干以美元、歐元、瑞士法郎、英鎊及人民幣列值之金融工具，包括按公平值計入其他全面收入之金融資產、其他資產、現金及存款、應收客戶及銀行款項、交易組合投資、衍生金融資產、按攤銷成本列賬之其他金融資產、應付客戶款項、衍生金融負債、其他負債及借貸。管理層一直監察外匯風險。

下表概述於二零二零年及二零一九年十二月三十一日本集團以有關集團公司各自功能貨幣以外之貨幣列值之主要金融資產及金融負債。

|   |                      | Expressed in HK\$'000<br>以千港元呈列 |               |             |            |                |
|---|----------------------|---------------------------------|---------------|-------------|------------|----------------|
|   |                      | US\$<br>美元                      | Euro<br>歐元    | CHF<br>瑞士法郎 | GBP<br>英鎊  | RMB<br>人民幣     |
| <b>As at 31 December 2020</b>                                     | <b>於二零二零年十二月三十一日</b> |                                 |               |             |            |                |
| Cash and deposits   | 現金及存款                | 101,794                         | 1,819,104     | 544         | 350        | 1,193          |
| Due from clients  | 應收客戶款項               | 151,392                         | 1,561,935     | -           | -          | -              |
| Due from banks  | 應收銀行款項               | 4,084,914                       | 204,320       | -           | -          | -              |
| Trading portfolio investments                                     | 交易組合投資               | -                               | 26,118        | -           | -          | -              |
| Derivative financial assets                                       | 衍生金融資產               | 232                             | 28,306        | -           | -          | -              |
| Financial assets at fair value through other comprehensive income | 按公平值計入其他全面收入之金融資產    | -                               | -             | -           | -          | 131,636        |
| Financial assets at amortised cost                                | 按攤銷成本列賬之金融資產         | 908,663                         | 484,138       | -           | -          | -              |
| Other assets  | 其他資產                 | 47,106                          | 1,904         | -           | -          | 10,198         |
| Due to clients  | 應付客戶款項               | (8,122,566)                     | (4,073,165)   | -           | -          | -              |
| Due to banks  | 應付銀行款項               | (2,639)                         | -             | -           | -          | -              |
| Derivative financial liabilities                                  | 衍生金融負債               | (30,738)                        | (360)         | -           | -          | -              |
| Borrowings  | 借貸                   | (732,630)                       | -             | -           | -          | -              |
| Other liabilities   | 其他負債                 | (6,312)                         | (2,915)       | -           | -          | -              |
| <b>Overall net exposure</b>                                       | <b>整體風險淨額</b>        | <b>(3,600,784)</b>              | <b>49,385</b> | <b>544</b>  | <b>350</b> | <b>143,027</b> |

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 50. 財務風險管理目標及政策 (續)

### 50.3 Foreign currency risk (Continued)

### 50.3 外匯風險 (續)

|   |                      | Expressed in HK\$'000<br>以千港元呈列 |                  |             |           |                |
|---|----------------------|---------------------------------|------------------|-------------|-----------|----------------|
|   |                      | US\$<br>美元                      | Euro<br>歐元       | CHF<br>瑞士法郎 | GBP<br>英鎊 | RMB<br>人民幣     |
| <b>As at 31 December 2019</b>                                     | <b>於二零一九年十二月三十一日</b> |                                 |                  |             |           |                |
| Cash and deposits   | 現金及存款                | 26,990                          | 1,213,291        | 529         | 52        | 1,025          |
| Due from clients  | 應收客戶款項               | 64,613                          | 645,831          | -           | -         | -              |
| Due from banks  | 應收銀行款項               | 2,599,320                       | 797,157          | -           | -         | -              |
| Trading portfolio investments                                     | 交易組合投資               | 46,758                          | -                | -           | -         | -              |
| Derivative financial assets                                       | 衍生金融資產               | 401                             | 8,635            | -           | -         | -              |
| Financial assets at fair value through other comprehensive income | 按公平值計入其他全面收入之金融資產    | -                               | -                | -           | -         | 135,174        |
| Financial assets at amortised cost                                | 按攤銷成本列賬之金融資產         | 843,992                         | 411,730          | -           | -         | -              |
| Other assets  | 其他資產                 | 29,794                          | 143              | -           | -         | 9,603          |
| Due to clients  | 應付客戶款項               | (6,985,123)                     | (3,751,785)      | -           | -         | -              |
| Due to banks  | 應付銀行款項               | (16,358)                        | -                | -           | -         | -              |
| Derivative financial liabilities                                  | 衍生金融負債               | (53,844)                        | (944)            | -           | -         | -              |
| Borrowings  | 借貸                   | (817,702)                       | (46,731)         | -           | -         | (939)          |
| Other liabilities   | 其他負債                 | (7,695)                         | (466)            | -           | -         | -              |
| <b>Overall net exposure</b>                                       | <b>整體風險淨額</b>        | <b>(4,268,854)</b>              | <b>(723,139)</b> | <b>529</b>  | <b>52</b> | <b>144,863</b> |

The following table indicates the approximate change in the Group's loss/profit for the year and fair value through other comprehensive income reserve (due to the change in fair value of the financial assets at fair value through other comprehensive income) in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of reporting period. The sensitivity analysis includes balances between Group companies where the denomination of the balances is in a currency other than the functional currencies of the lender or the borrower. A positive number below indicates decrease in loss (2019: an increase in profit) and increase in fair value through other comprehensive income reserve where the underlying functional currency weakens against the relevant foreign currency. For a strengthening of the underlying functional currency against the relevant foreign currency, there would be an equal and opposite impact on the loss/profit and fair value through other comprehensive income, and the balances below would be negative.

下表顯示本集團(因按公平值計入其他全面收入之金融資產之公平值變動)就本集團於報告期末有重大風險之外匯匯率之合理可能變動所作出之本年度虧損/溢利及按公平值計入其他全面收入儲備之概約變動。敏感度分析包括本集團公司間之結餘，結餘以非貸款人或借款人之功能貨幣之貨幣列值。以下正數表示相關功能貨幣兌有關外幣貶值情況下，虧損減少(二零一九年：溢利增加)及按公平值計入其他全面收入儲備增加。倘相關功能貨幣兌有關外幣升值，則對虧損/溢利及按公平值計入其他全面收入有相等及相反影響，而以下結餘將為負數。

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.3 Foreign currency risk (Continued)

|      |      | 2020<br>二零二零年                          |                                   |   | 2019<br>二零一九年                             |                                     |   |
|------|------|--|-----------------------------------|---|---|-------------------------------------|---|
|      |      | Change in<br>foreign<br>exchange rates | Effect on<br>loss for<br>the year | Effect on<br>fair value<br>through other<br>comprehensive<br>income reserve<br>對按公平值<br>計入其他<br>全面收入儲備<br>之影響 | Change in<br>foreign<br>exchange<br>rates | Effect on<br>profit for<br>the year | Effect on<br>fair value<br>through other<br>comprehensive<br>income reserve<br>對按公平值<br>計入其他<br>全面收入儲備<br>之影響 |
|      |      | 匯率變動                                   | 對本年度<br>虧損之影響<br>HK\$'000<br>千港元  | 全面收入儲備<br>之影響<br>HK\$'000<br>千港元  | 匯率變動                                      | 對本年度<br>溢利之影響<br>HK\$'000<br>千港元    | 全面收入儲備<br>之影響<br>HK\$'000<br>千港元  |
| US\$ | 美元   | +5%                                    | 148,338                           | -   | +5%                                       | (173,802)                           | -   |
|      |      | -5%                                    | (148,338)                         | -   | -5%                                       | 173,802                             | -   |
| Euro | 歐元   | +5%                                    | 2,469                             | -   | +5%                                       | (36,157)                            | -   |
|      |      | -5%                                    | (2,469)                           | -   | -5%                                       | 36,157                              | -   |
| CHF  | 瑞士法郎 | +5%                                    | (27)                              | -   | +5%                                       | 26                                  | -   |
|      |      | -5%                                    | 27                                | -   | -5%                                       | (26)                                | -   |
| GBP  | 英鎊   | +5%                                    | (18)                              | -   | +5%                                       | 3                                   | -   |
|      |      | -5%                                    | 18                                | -   | -5%                                       | (3)                                 | -   |
| RMB  | 人民幣  | +5%                                    | (569)                             | 6,582   | +5%                                       | 484                                 | 6,759   |
|      |      | -5%                                    | 569                               | (6,582)   | -5%                                       | (484)                               | (6,759)   |

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting date. In this respect, it is assumed that there is no significant exposure expected on financial assets and liabilities denominated in US\$ for Group companies whose functional currency is HK\$ since HK\$ are pegged to USD. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the group entities' profit for the year and equity measured in the respective functional currencies, translated into HK\$ at the exchange rate ruling at the end of reporting period for presentation purposes. The analysis is performed on the same basis for 2019.

## 50. 財務風險管理目標及政策(續)

### 50.3 外匯風險(續)

列示之變動代表管理層對外匯匯率於直至下一年度報告日止期間之合理可能變動之評估。就此而言，由於港元與美元掛鉤，故已假設功能貨幣為港元之本集團公司以美元所計值之金融資產及負債不會承擔任何重大風險。上表呈列之分析結果，代表對各集團實體本年度溢利及股本(以各自功能貨幣計量及按報告期末規定作呈列用途之匯率換算為港元)之總體影響。二零一九年進行之分析採用相同基準。

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.4 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instruments and cause a financial loss to the Group.

The Group considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition.

It considers available reasonable and supportive forward looking information. Especially the following indicators are incorporated:

- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the counterparty
- significant expected changes in the performance and behaviour of the counterparty, including changes in the payment status of counterparties in the group and changes in the operating results of the counterparty

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery.

The assessment of credit risk and the estimation of ECL are unbiased and probability-weighted, and incorporate all available information that is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money.

## 50. 財務風險管理目標及政策 (續)

### 50.4 信貸風險

信貸風險指金融工具之交易對手未能按金融工具之條款履行其責任，並導致本集團錄得財務虧損之風險。

本集團於初步確認資產時考慮違約或然率及於各報告期內持續考慮信貸風險有否大幅增加。為評估信貸風險有否大幅增加，本集團將於報告日資產發生違約之風險與於初步確認日期之違約風險作比較。

本集團考慮可得之合理及有理據前瞻性資料，特別包括下列指標：

- 外部信貸評級(如適用)
- 預期會導致交易對手履行責任之能力發生重大變動之業務、財務或經濟狀況之實際或預期重大不利變動
- 交易對手經營業績之實際或預期重大變動
- 交易對手之表現及行為出現重大預期變動，包括集團內交易對手之付款狀況變動及交易對手經營業績之變動

倘交易對手未能於合約付款到期時支付，則屬金融資產違約。

倘無合理預期可收回款項時，則撇銷金融資產。

評估信貸風險及估計預期信貸虧損採用公正及概率加權方式，並計入所有與評估相關之可得資料，包括有關過往事件之資料、現行狀況、有關未來事件之合理及有理據預測以及報告日之經濟狀況。此外，預期信貸虧損估計應計及貨幣時間價值。

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.4 Credit risk (Continued)

The credit risk of the Group is primarily attributable to the cash and deposit, due from clients and banks, trade receivables, other financial assets at amortised cost and other assets.

The credit risk of the cash and deposit is limited because the majority of the counterparties are banks with good reputation. No impairment had been provided under 12-month expected credit loss assessment.

The credit risk of due from clients and banks (excluding the precious metal) is determined based on the combination of the internal and external credit rating, the average debt recovery, peer review information and comparison with publically available data. The Group calculates ECL using three main components: a probability of default, a loss given default ('LGD') and the exposure at default ('EAD'). The 12-month ECL is calculated by multiplying the 12-month PD, LGD and EAD. Lifetime ECL is calculated using the lifetime PD instead. The 12-month and lifetime PDs represent the probability of default occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. Expected credit losses for due from banks and clients of HK\$278,000 has been recognised (2019: reversal of provision for expected credit losses of HK\$1,812,000) under expected credit loss assessment for the year ended 31 December 2020.

The balance of due from clients and banks also subject to concentration risk which the ten largest single exposures encompass HK\$1,116,031,000 (2019: HK\$1,024,413,000), which are related to due from clients of the banking business as of 31 December 2020.

## 50. 財務風險管理目標及政策(續)

### 50.4 信貸風險(續)

本集團之信貸風險主要產生自現金及存款、應收客戶及銀行款項、應收賬款、按攤銷成本列賬之其他金融資產以及其他資產。

由於大部分交易對手為信譽良好之銀行，現金及存款之信貸風險有限。概無根據12個月預期信貸虧損評估計提減值撥備。

應收客戶及銀行款項(不包括貴金屬)信貸風險乃結合內部及外部信貸評級、平均債務收款、同行檢討資料及與公開資料比較而釐定。本集團以三個主要組成部分計算預期信貸虧損：違約或然率、違約損失率(「違約損失率」)及違約風險承擔(「違約風險承擔」)。12個月預期信貸虧損乃將12個月違約或然率與違約損失率及違約風險承擔相乘而計算。全期預期信貸虧損則使用全期違約或然率計算。12個月及全期違約或然率分別指未來12個月及工具剩餘年內發生違約之概率。違約風險承擔指預期違約結餘，並經計及結算日至違約事件期間之本金及利息還款及承諾融資的任何預期提取額。違約損失率指出現違約事件時違約風險承擔之預期虧損，並經計及(包括其他特性)預期變現抵押品價值時之緩和影響及貨幣時間價值。截至二零二零年十二月三十一日止年度，根據預期信貸虧損評估確認應收銀行及客戶款項的預期信貸虧損278,000港元(二零一九年：撥回預期信貸虧損撥備1,812,000港元)。

應收客戶及銀行款項結餘亦面對集中風險，十大單一風險包括於二零二零年十二月三十一日之1,116,031,000港元(二零一九年：1,024,413,000港元)，乃與應收銀行業務客戶賬款相關。

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.4 Credit risk (Continued)

Since 1 January 2018, the Group adopts the “ECL model” on its debt instruments which are classified as financial assets measured at amortised cost and at FVOCI in accordance with the provisions of HKFRS 9. For financial assets that are included in the measurement of ECL, the Group evaluates whether the credit risks of related financial assets have increased significantly since initial recognition. The “three stage” impairment model is used to measure their loss allowances respectively to recognise ECL and their movements. The ECL assessment made by the Group mainly reference to the internal and market credit rating information. Amount to HK\$29,348,000 (2019: HK\$291,000) impairment allowance has been provided after the assessment during the year.

For the trade receivables, the Group carries out regular review on these balances and follow-up action on any overdue amounts to minimise exposures to credit risk. The Group measures the lifetime expected credit losses based on the outstanding balances and historical credit loss experience adjusted to reflect the Group’s view of current and forecast economic conditions that may affect the ability of the debtors to settle receivables. Amounted to HK\$16,960,000 (2019: HK\$7,340,000) impairment allowance had been provided under expected credit loss assessment which calculated using simplified approach according to the ageing by due date disclose in note 22.

## 50. 財務風險管理目標及政策 (續)

### 50.4 信貸風險 (續)

自二零一八年一月一日起，本集團對債務工具採納「預期信貸虧損模式」，根據香港財務報告準則第9號之規定，有關債務工具分類為按攤銷成本計量及按公平值計入其他全面收入之金融資產。就預期信貸虧損計量涉及之金融資產而言，本集團評估相關金融資產之信貸風險自初步確認起有否大幅增加，並就確認預期信貸虧損及其變動分別使用「三階段」減值模式計量虧損撥備。本集團進行預期信貸虧損評估時，主要參照內部及市場信貸評級資料。年內，於評估後已計提減值撥備29,348,000港元（二零一九年：291,000港元）。

至於應收賬款，本集團定期檢討結餘及對任何逾期金額採取跟進行動，以盡量降低信貸風險。本集團根據未償還結餘及過往信貸虧損經驗計量全期預期信貸虧損，並作出調整以反映本集團對可能影響債務人償付應收款項能力之現時及預測經濟狀況的看法。根據附註22所披露按到期日劃分賬齡採用簡化方法計算之預期信貸虧損評估，已計提減值撥備16,960,000港元（二零一九年：7,340,000港元）。

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.4 Credit risk (Continued)

The loss allowance as at 31 December 2020 was determined for trade receivables arising from watches and timepieces business as follows:

31 December 2020

|                        |           | Expected credit loss rate – weighted average (%)<br>預期信貸虧損率 – 加權平均 (%) | Gross carrying amount (after excluding credit-impaired balance)<br>賬面總值 (扣除信貸減值結餘後)<br>HK\$'000<br>千港元 | Loss allowance<br>虧損撥備<br>HK\$'000<br>千港元 | Net amount<br>淨額<br>HK\$'000<br>千港元 |
|------------------------|-----------|--|--|---|-------------------------------------|
| Not yet pass due       | 尚未逾期      | 0.40%  | 268,969  | (1,076)                                   | 267,893                             |
| Overdue within 90 days | 逾期不超過90天  | 1.10%  | 30,129   | (333)                                     | 29,796                              |
| Overdue 91 to 180 days | 逾期91至180天 | 3.10%  | 45,543   | (1,412)                                   | 44,131                              |
| Overdue over 180 days  | 逾期超過180天  | 7.10% to 100%  | 114,057  | (73,786)                                  | 40,271                              |
| Total                  | 總計        |  | 458,698  | (76,607)                                  | 382,091                             |

The loss allowance as at 31 December 2019 was determined for trade receivables arising from watches and timepieces business as follows:

31 December 2019

|                        |           | Expected credit loss rate – weighted average (%)<br>預期信貸虧損率 – 加權平均 (%) | Gross carrying amount (after excluding credit-impaired balance)<br>賬面總值 (扣除信貸減值結餘後)<br>HK\$'000<br>千港元 | Loss allowance<br>虧損撥備<br>HK\$'000<br>千港元 | Net amount<br>淨額<br>HK\$'000<br>千港元 |
|------------------------|-----------|--|--|---|-------------------------------------|
| Not yet pass due       | 尚未逾期      | 0.30%  | 344,897  | (1,034)                                   | 343,863                             |
| Overdue within 90 days | 逾期不超過90天  | 1.00%  | 44,477   | (445)                                     | 44,032                              |
| Overdue 91 to 180 days | 逾期91至180天 | 3.00%  | 15,481   | (464)                                     | 15,017                              |
| Overdue over 180 days  | 逾期超過180天  | 7.00%–100%   | 128,425  | (56,404)                                  | 72,021                              |
| Total                  | 總計        |  | 533,280  | (58,347)                                  | 474,933                             |

## 50. 財務風險管理目標及政策 (續)

### 50.4 信貸風險 (續)

於二零二零年十二月三十一日釐定之鐘錶及時計產品業務應收賬款虧損撥備如下：

二零二零年十二月三十一日

於二零一九年十二月三十一日釐定之鐘錶及時計產品業務應收賬款虧損撥備如下：

二零一九年十二月三十一日



## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.4 Credit risk (Continued)

For the other assets mainly comprise of rental deposits, dividend receivables, amounts due from an associate and related parties and other tax recoverable. Management considers rental deposits do not have significant credit risk since the deposits are refundable from landlords upon end of lease term or recoverable by the Group through using the leased property. For the other assets, given the short term nature of these assets, the ECL is had been provided under 12-month expected credit loss assessment. The management considered there is no additional provision has to make for the other assets after the assessments for the year ended 31 December 2019. The management has provided an ECL provision of HK\$826,000 (2019:HK\$2,167,000) for the year ended 31 December 2020 after their assessment.

At the end of the reporting period, the directors of the Company have assessed the past due status of the debts under guarantee, the financial position of the debtors as well as the economic outlook of the industries in which the debtors operate, and concluded that there has not been a significant increase in the credit risk since initial recognition of the financial guarantee contract. Accordingly, the loss allowance for financial guarantee contract issued by the Group is measured at an amount equal to 12-month ECL.

In both years, the amount of loss allowance is lower than the premium less cumulative amortisation, therefore, no loss allowance was recognised in profit or loss for the financial guarantee contract.

## 50. 財務風險管理目標及政策 (續)

### 50.4 信貸風險 (續)

其他資產主要包括租金按金、應收股息、應收一間聯營公司及關連人士款項以及其他可收回稅項。管理層認為租金按金並無重大信貸風險，原因為租期結束時將可由業主退還按金或本集團將可透過使用租賃物業收回按金。就其他資產而言，鑒於該等資產之短期性質，預期信貸虧損按12個月預期信貸虧損評估計提撥備。管理層於評估後認為於截至二零一九年十二月三十一日止年度毋須就其他資產計提額外撥備。管理層經評核後已就截至二零二零年十二月三十一日止年度計提預期信貸虧損撥備826,000港元(二零一九年：2,167,000港元)。

於報告期末，本公司董事已評估擔保項下債務之過往逾期狀況、債務人之財務狀況以及債務人經營所在行業之經濟前景，並得出結論，自首次確認財務擔保合約以來信貸風險並無大幅上升。因此，就本集團發出財務擔保合約之虧損撥備按相當於12個月預期信貸虧損之金額計量。

於兩個年度之虧損撥備金額均低於溢價減累計攤銷，因此，並無就財務擔保合約於損益中確認任何虧損撥備。

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.4 Credit risk (Continued)

#### (i) Maximum credit risk exposure of the Group

The maximum exposure to credit risk (excluding cash and deposits as at the end of reporting date without taking into consideration of any collateral held or other credit enhancement) is represented by the net balance of each type of financial assets in the consolidated statement of financial position (after deducting any impairment allowance). A summary of the maximum exposure is as follows:

At 31 December 2020

|   |                    | Banking<br>business     | Financial<br>business   | Non-banking<br>and financial<br>businesses | Total                 |
|---|--------------------|-------------------------|-------------------------|--|-----------------------|
|   |                    | 銀行業務<br>HK\$'000<br>千港元 | 金融業務<br>HK\$'000<br>千港元 | 非銀行及<br>金融業務<br>HK\$'000<br>千港元            | 總計<br>HK\$'000<br>千港元 |
| Due from clients  | 應收客戶款項             | 2,463,225               | -                       | -  | 2,463,225             |
| Due from banks  | 應收銀行款項             | 5,466,260               | -                       | -  | 5,466,260             |
| Trading portfolio assets  | 交易組合資產             | 26,118                  | 18,134                  | 36,058                                     | 80,310                |
| Derivative financial assets   | 衍生金融資產             | 29,224                  | -                       | -  | 29,224                |
| Trade receivables   | 應收賬款               | -                       | 9,656                   | 382,091                                    | 391,747               |
| Financial assets at fair value through other comprehensive income       | 按公平值計入其他全面收入之金融資產  | -                       | -                       | 470,794                                    | 470,794               |
| Other financial assets at amortised cost                                | 按攤銷成本列賬之其他金融資產     | 1,449,886               | -                       | -  | 1,449,886             |
| Other assets  | 其他資產               | 43,402                  | 12,792                  | 202,615                                    | 258,809               |
|   |                    | <b>9,478,115</b>        | <b>40,582</b>           | <b>1,091,558</b>                           | <b>10,610,255</b>     |
| Credit card commitments, irrevocable commitment and guarantees provided | 信用卡承擔、不可收回承擔及已提供擔保 | 127,884                 | -                       | 55,000                                     | 182,884               |
| Maximum credit risk exposure  | 最高信貸風險             | <b>9,605,999</b>        | <b>40,582</b>           | <b>1,146,558</b>                           | <b>10,793,139</b>     |

## 50. 財務風險管理目標及政策(續)

### 50.4 信貸風險(續)

#### (i) 本集團之最大信貸風險

於各報告日末，除現金及存款以外之最大信貸風險(不計及任何所持抵押品或其他信用增級)由綜合財務狀況表中各類金融資產之結餘淨值(經扣除任何減值撥備後)呈列。最高風險概要如下：

於二零二零年十二月三十一日

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.4 Credit risk (Continued)

#### (i) Maximum credit risk exposure of the Group (Continued)

At 31 December 2019

|   |                    | Banking<br>business     | Financial<br>business   | Non-banking<br>and financial<br>businesses | Total                 |
|---|--------------------|-------------------------|-------------------------|--|-----------------------|
|   |                    | 銀行業務<br>HK\$'000<br>千港元 | 金融業務<br>HK\$'000<br>千港元 | 非銀行及<br>金融業務<br>HK\$'000<br>千港元            | 總計<br>HK\$'000<br>千港元 |
| Due from clients  | 應收客戶款項             | 2,093,250               | –                       | –  | 2,093,250             |
| Due from banks  | 應收銀行款項             | 4,901,198               | –                       | –  | 4,901,198             |
| Trading portfolio assets  | 交易組合資產             | 46,758                  | 127,519                 | 53,626                                     | 227,903               |
| Derivative financial assets   | 衍生金融資產             | 10,275                  | –                       | –  | 10,275                |
| Trade receivables   | 應收賬款               | –                       | 3,329                   | 474,933                                    | 478,262               |
| Financial assets at fair value through other comprehensive income       | 按公平值計入其他全面收入之金融資產  | –                       | –                       | 422,861                                    | 422,861               |
| Other financial assets at amortised cost                                | 按攤銷成本列賬之其他金融資產     | 1,307,960               | –                       | –  | 1,307,960             |
| Other assets  | 其他資產               | 46,442                  | 3,449                   | 226,839                                    | 276,730               |
|   |                    | 8,405,883               | 134,297                 | 1,178,259                                  | 9,718,439             |
| Credit card commitments, irrevocable commitment and guarantees provided | 信用卡承擔、不可收回承擔及已提供擔保 | 114,445                 | –                       | 30,000                                     | 144,445               |
| Maximum credit risk exposure  | 最高信貸風險             | 8,520,328               | 134,297                 | 1,208,259                                  | 9,862,884             |

## 50. 財務風險管理目標及政策 (續)

### 50.4 信貸風險 (續)

#### (i) 本集團之最大信貸風險 (續)

於二零一九年十二月三十一日

|   |                    | Banking<br>business     | Financial<br>business   | Non-banking<br>and financial<br>businesses | Total                 |
|---|--------------------|-------------------------|-------------------------|--|-----------------------|
|   |                    | 銀行業務<br>HK\$'000<br>千港元 | 金融業務<br>HK\$'000<br>千港元 | 非銀行及<br>金融業務<br>HK\$'000<br>千港元            | 總計<br>HK\$'000<br>千港元 |
| Due from clients  | 應收客戶款項             | 2,093,250               | –                       | –  | 2,093,250             |
| Due from banks  | 應收銀行款項             | 4,901,198               | –                       | –  | 4,901,198             |
| Trading portfolio assets  | 交易組合資產             | 46,758                  | 127,519                 | 53,626                                     | 227,903               |
| Derivative financial assets   | 衍生金融資產             | 10,275                  | –                       | –  | 10,275                |
| Trade receivables   | 應收賬款               | –                       | 3,329                   | 474,933                                    | 478,262               |
| Financial assets at fair value through other comprehensive income       | 按公平值計入其他全面收入之金融資產  | –                       | –                       | 422,861                                    | 422,861               |
| Other financial assets at amortised cost                                | 按攤銷成本列賬之其他金融資產     | 1,307,960               | –                       | –  | 1,307,960             |
| Other assets  | 其他資產               | 46,442                  | 3,449                   | 226,839                                    | 276,730               |
|   |                    | 8,405,883               | 134,297                 | 1,178,259                                  | 9,718,439             |
| Credit card commitments, irrevocable commitment and guarantees provided | 信用卡承擔、不可收回承擔及已提供擔保 | 114,445                 | –                       | 30,000                                     | 144,445               |
| Maximum credit risk exposure  | 最高信貸風險             | 8,520,328               | 134,297                 | 1,208,259                                  | 9,862,884             |

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.4 Credit risk (Continued)

- (ii) Credit exposure by quality of assets of the banking business is as follows:

As at 31 December 2020

|   | AAA to AA | A+ to BBB- | BB+ or lower | No external rating | Book value of impaired loans net of impaired loans | Total     |
|---|-----------|------------|--------------|--------------------|--|-----------|
|   | AAA級至AA級  | A+級至BBB-級  | BB+級或更低      | 無外部評級              | 已減值貸款之賬面淨值   | 總計        |
|   | HK\$'000  | HK\$'000   | HK\$'000     | HK\$'000           | HK\$'000   | HK\$'000  |
|   | 千港元       | 千港元        | 千港元          | 千港元                | 千港元  | 千港元       |
| Due from banks 應收銀行款項                   | 2,035,886 | 3,364,102  | -            | 66,272             | -  | 5,466,260 |
| Due from clients 應收客戶款項                 | -         | -          | -            | 2,461,063          | 2,162  | 2,463,225 |
| Financial instruments 金融工具              | 669,870   | 775,315    | 2,849        | 27,970             | -  | 1,476,004 |
| Other assets 其他資產                       | -         | -          | -            | 43,402             | -  | 43,402    |
| Derivative financial instruments 衍生金融工具 | 147       | 293        | -            | 28,784             | -  | 29,224    |
|   | 2,705,903 | 4,139,710  | 2,849        | 2,627,491          | 2,162  | 9,478,115 |
| Contingent liabilities 或然負債             | 2,376     | -          | -            | 125,508            | -  | 127,884   |

於二零二零年十二月三十一日

As at 31 December 2019

|   | AAA to AA | A+ to BBB- | BB+ or lower | No external rating | Book value of impaired loans net of impaired loans | Total     |
|---|-----------|------------|--------------|--------------------|--|-----------|
|   | AAA級至AA級  | A+級至BBB-級  | BB+級或更低      | 無外部評級              | 已減值貸款之賬面淨值   | 總計        |
|   | HK\$'000  | HK\$'000   | HK\$'000     | HK\$'000           | HK\$'000   | HK\$'000  |
|   | 千港元       | 千港元        | 千港元          | 千港元                | 千港元  | 千港元       |
| Due from banks 應收銀行款項                   | 1,558,493 | 3,304,404  | -            | 38,301             | -  | 4,901,198 |
| Due from clients 應收客戶款項                 | -         | -          | -            | 2,089,520          | 3,730  | 2,093,250 |
| Financial instruments 金融工具              | 577,316   | 730,644    | -            | 46,758             | -  | 1,354,718 |
| Other assets 其他資產                       | -         | -          | -            | 46,442             | -  | 46,442    |
| Derivative financial instruments 衍生金融工具 | 1,047     | 76         | -            | 9,152              | -  | 10,275    |
|   | 2,136,856 | 4,035,124  | -            | 2,230,173          | 3,730  | 8,405,883 |
| Contingent liabilities 或然負債             | -         | 2,185      | -            | 112,260            | -  | 114,445   |

於二零一九年十二月三十一日

## 50. 財務風險管理目標及政策 (續)

### 50.4 信貸風險 (續)

- (ii) 按銀行業務資產質素劃分之信貸風險如下：

於二零二零年十二月三十一日

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.4 Credit risk (Continued) (ii) (Continued)

The above table shows the quality of assets according to the external ratings available. Financial instruments without a rating are mainly instruments for which there is no external rating available. Amounts due from clients are allocated to the category "no external rating".

- (iii) Credit exposure by collateral of the banking business is as follows:

As at 31 December 2020

|   |             | Mortgage-backed<br>以按揭支持<br>HK\$'000<br>千港元 | Other collateral<br>其他抵押品<br>HK\$'000<br>千港元 | No collateral<br>無抵押品<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|---|-------------|---|--|--|--------------------------------|
| Due from clients of which mortgage loan | 按揭貸款之應收客戶款項 |   |  |  |                                |
| – Residential property                  | –住宅物業       | 1,147,344                                   | 116  | 67                                       | 1,147,527                      |
| – Office and business property          | –辦公室及商用物業   | 128,096                                     | –  | –  | 128,096                        |
| – Commercial and industrial property    | –工商物業       | 191,082                                     | –  | 15                                       | 191,097                        |
| – Other                                 | –其他         | 7,112                                       | 982,094                                      | 7,299                                    | 996,505                        |
| Financial instruments                   | 金融工具        | –   | –  | 1,449,886                                | 1,449,886                      |
| Trading portfolio investments           | 交易組合投資      | –   | –  | 26,118                                   | 26,118                         |
| Derivative financial instruments        | 衍生金融工具      | –   | –  | 29,224                                   | 29,224                         |
|   |             | 1,473,634                                   | 982,210                                      | 1,512,609                                | 3,968,453                      |
| Contingent liabilities                  | 或然負債        | 34,122                                      | 93,762                                       | –  | 127,884                        |

## 50. 財務風險管理目標及政策 (續)

### 50.4 信貸風險 (續) (ii) (續)

上表列示根據已有外部評級的資產質素。無評級金融工具主要為並無外部評級之工具。應收客戶款項歸類為「無外部評級」。

- (iii) 按銀行業務抵押品劃分之信貸風險如下：

於二零二零年十二月三十一日

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.4 Credit risk (Continued) (iii) (Continued)

As at 31 December 2019

|  |             | Mortgage-backed<br>以按揭支持<br>HK\$'000<br>千港元 | Other<br>collateral<br>其他抵押品<br>HK\$'000<br>千港元 | No collateral<br>無抵押品<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|--|-------------|---|---|--|--------------------------------|
| Due from clients of which<br>mortgage loan | 按揭貸款之應收客戶款項 |   |   |  |                                |
| – Residential property                     | – 住宅物業      | 887,165                                     | 158   | 44                                       | 887,367                        |
| – Office and business property             | – 辦公室及商用物業  | 125,998                                     | –   | –  | 125,998                        |
| – Commercial and industrial<br>property    | – 工商物業      | 241,005                                     | –   | –  | 241,005                        |
| – Other                                    | – 其他        | 930   | 824,357   | 13,593                                   | 838,880                        |
| Financial instruments                      | 金融工具        | –   | –   | 1,307,960                                | 1,307,960                      |
| Trading portfolio investments              | 交易組合投資      | –   | –   | 46,758                                   | 46,758                         |
| Derivative financial instruments           | 衍生金融工具      | –   | –   | 10,275                                   | 10,275                         |
|  |             | 1,255,098                                   | 824,515   | 1,378,630                                | 3,458,243                      |
| Contingent liabilities                     | 或然負債        | 20,976                                      | 93,462  | 7  | 114,445                        |

The above table shows that secured lending represents constantly more than 90 per cent of the total due from clients.

上表顯示有抵押貸款持續佔應收客戶款項總額超過90%。

## 50. 財務風險管理目標及政策(續)

### 50.4 信貸風險(續) (iii) (續)

於二零一九年十二月三十一日

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.4 Credit risk (Continued)

- (iv) Credit risk by geographical sector of the banking business is as follows:

As at 31 December 2020

|                                  |        | Switzerland and Liechtenstein<br>瑞士及列支敦士登<br>HK\$'000<br>千港元 | Europe (excluding Switzerland and Liechtenstein)<br>歐洲<br>(不包括瑞士及列支敦士登)<br>HK\$'000<br>千港元 | Other<br>其他<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|----------------------------------|--------|--|--|--------------------------------|--------------------------------|
| Due from banks                   | 應收銀行款項 | 2,964,806  | 2,501,454  | -                              | 5,466,260                      |
| Due from clients                 | 應收客戶款項 | 508,759  | 1,954,466  | -                              | 2,463,225                      |
| Trading Portfolio Investments    | 交易組合投資 | 26,118   | -  | -                              | 26,118                         |
| Financial instruments            | 金融工具   | -  | 592,897  | 856,989                        | 1,449,886                      |
| Other assets                     | 其他資產   | 32,955   | 10,426   | 21                             | 43,402                         |
| Derivative financial instruments | 衍生金融工具 | 507  | 27,119   | 1,598                          | 29,224                         |
|                                  |        | 3,533,145  | 5,086,362  | 858,608                        | 9,478,115                      |
| Contingent liabilities           | 或然負債   | 116,775  | 10,039   | 1,070                          | 127,884                        |
|                                  |        | 3,649,920  | 5,096,401  | 859,678                        | 9,605,999                      |

As at 31 December 2019

|                                  |        | Switzerland and Liechtenstein<br>瑞士及列支敦士登<br>HK\$'000<br>千港元 | Europe (excluding Switzerland and Liechtenstein)<br>歐洲<br>(不包括瑞士及列支敦士登)<br>HK\$'000<br>千港元 | Other<br>其他<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|----------------------------------|--------|--|--|--------------------------------|--------------------------------|
| Due from banks                   | 應收銀行款項 | 2,622,390  | 2,278,808  | -                              | 4,901,198                      |
| Due from clients                 | 應收客戶款項 | 438,164  | 1,273,231  | 381,855                        | 2,093,250                      |
| Financial instruments            | 金融工具   | 46,758   | 527,041  | 780,919                        | 1,354,718                      |
| Other assets                     | 其他資產   | 31,067   | 15,354   | 21                             | 46,442                         |
| Derivative financial instruments | 衍生金融工具 | 1,146  | 8,822  | 307                            | 10,275                         |
|                                  |        | 3,139,525  | 4,103,256  | 1,163,102                      | 8,405,883                      |
| Contingent liabilities           | 或然負債   | 106,966  | 6,537  | 942                            | 114,445                        |
|                                  |        | 3,246,491  | 4,109,793  | 1,164,044                      | 8,520,328                      |

## 50. 財務風險管理目標及政策 (續)

### 50.4 信貸風險 (續)

- (iv) 按銀行業務地區區域劃分之信貸風險如下：

於二零二零年十二月三十一日

於二零一九年十二月三十一日



## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.4 Credit risk (Continued) (iv) (Continued)

The above table shows a concentration in due from banks and clients as well as financial instruments outside Switzerland and Liechtenstein. As at 31 December 2020, outside Switzerland and Liechtenstein commitments amounted to HK\$5,956,079,000 (2019: HK\$5,273,837,000), or 62% (2019: 62%) percent of the total lending volume.

- (v) Credit risk by counterparty of the banking business is as follows:

As at 31 December 2020

|                                  | Central banks | Banks     | Public sector entities | Private and institutional investment clients | Other    | Total     |
|----------------------------------|---------------|-----------|------------------------|--|----------|-----------|
|                                  | 中央銀行          | 銀行        | 公營實體                   | 私人及機構投資客戶                                    | 其他       | 總計        |
|                                  | HK\$'000      | HK\$'000  | HK\$'000               | HK\$'000                                     | HK\$'000 | HK\$'000  |
|                                  | 千港元           | 千港元       | 千港元                    | 千港元  | 千港元      | 千港元       |
| Due from banks                   | -             | 5,466,260 | -                      | -  | -        | 5,466,260 |
| Due from clients                 | -             | -         | -                      | 2,463,225                                    | -        | 2,463,225 |
| Financial instruments            | -             | 1,053,351 | 84,447                 | 312,088                                      | 26,118   | 1,476,004 |
| Derivative financial instruments | -             | 440       | -                      | 28,784                                       | -        | 29,224    |
| Other assets                     | -             | 8,200     | 3                      | 35,199                                       | -        | 43,402    |
|                                  | -             | 6,528,251 | 84,450                 | 2,839,296                                    | 26,118   | 9,478,115 |
| Contingent liabilities           | -             | 5,890     | -                      | 121,994                                      | -        | 127,884   |

## 50. 財務風險管理目標及政策(續)

### 50.4 信貸風險(續) (iv) (續)

上表顯示應收瑞士及列支敦士登以外銀行及客戶款項及金融工具集中。於二零二零年十二月三十一日，瑞士及列支敦士登以外承擔為5,956,079,000港元(二零一九年：5,273,837,000港元)，或總借貸量之62%(二零一九年：62%)。

- (v) 按銀行業務交易對手劃分之信貸風險如下：

於二零二零年十二月三十一日

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.4 Credit risk (Continued) (v) (Continued)

As at 31 December 2019

|                                  | Central banks           | Banks                 | Public sector entities  | Private and institutional investment clients | Other                 | Total                 |
|----------------------------------|-------------------------|-----------------------|-------------------------|--|-----------------------|-----------------------|
|                                  | 中央銀行<br>HK\$'000<br>千港元 | 銀行<br>HK\$'000<br>千港元 | 公營實體<br>HK\$'000<br>千港元 | 私人及<br>機構投資客戶<br>HK\$'000<br>千港元             | 其他<br>HK\$'000<br>千港元 | 總計<br>HK\$'000<br>千港元 |
| Due from banks                   | -                       | 4,901,198             | -                       | -  | -                     | 4,901,198             |
| Due from clients                 | -                       | -                     | -                       | 2,093,250                                    | -                     | 2,093,250             |
| Financial instruments            | -                       | 778,199               | 82,373                  | 447,388                                      | 46,758                | 1,354,718             |
| Derivative financial instruments | -                       | 1,123                 | 9,152                   | -  | -                     | 10,275                |
| Other assets                     | -                       | -                     | 3                       | 46,439                                       | -                     | 46,442                |
|                                  | -                       | 5,680,520             | 91,528                  | 2,587,077                                    | 46,758                | 8,405,883             |
| Contingent liabilities           | -                       | 2,426                 | 112,019                 | -  | -                     | 114,445               |

The above table shows a concentration of bank counterparties, which is managed by a limit system. This process ensures the diversification of the counterparties themselves as well as the counterparty domiciles. Financial instruments issued by corporate entities are allocated to the category "private and institutional investment clients".

#### (vi) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

## 50. 財務風險管理目標及政策 (續)

### 50.4 信貸風險 (續) (v) (續)

於二零一九年十二月三十一日

|        | Central banks           | Banks                 | Public sector entities  | Private and institutional investment clients | Other                 | Total                 |
|--------|-------------------------|-----------------------|-------------------------|--|-----------------------|-----------------------|
|        | 中央銀行<br>HK\$'000<br>千港元 | 銀行<br>HK\$'000<br>千港元 | 公營實體<br>HK\$'000<br>千港元 | 私人及<br>機構投資客戶<br>HK\$'000<br>千港元             | 其他<br>HK\$'000<br>千港元 | 總計<br>HK\$'000<br>千港元 |
| 應收銀行款項 | -                       | 4,901,198             | -                       | -  | -                     | 4,901,198             |
| 應收客戶款項 | -                       | -                     | -                       | 2,093,250                                    | -                     | 2,093,250             |
| 金融工具   | -                       | 778,199               | 82,373                  | 447,388                                      | 46,758                | 1,354,718             |
| 衍生金融工具 | -                       | 1,123                 | 9,152                   | -  | -                     | 10,275                |
| 其他資產   | -                       | -                     | 3                       | 46,439                                       | -                     | 46,442                |
|        | -                       | 5,680,520             | 91,528                  | 2,587,077                                    | 46,758                | 8,405,883             |
| 或然負債   | -                       | 2,426                 | 112,019                 | -  | -                     | 114,445               |

上表顯示銀行交易對手集中且由有限體系管理。該過程確保交易對手及其所屬地方分散。公司實體發行之金融工具歸類為「私人及機構投資客戶」。

#### (vi) 抵銷

當有可合法執行權利抵銷已確認金額及計劃按淨額基準結清，或同時變現資產及結清負債時，金融資產與金融負債相互抵銷，且淨額於綜合財務狀況表列報。

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.4 Credit risk (Continued) (vi) Offsetting (Continued)

## 50. 財務風險管理目標及政策 (續)

### 50.4 信貸風險 (續) (vi) 抵銷 (續)

|  |         | Financial assets subject to offsetting<br>可予抵銷之金融資產   |   | Related amounts not offset in the consolidated statement<br>of financial position<br>並無於綜合財務狀況表中抵銷之相關金額 |                             |                 |  |
|--|---------|---|---|---|-----------------------------|-----------------|--|
|  |         | Gross amount<br>of recognised<br>financial<br>liabilities offset<br>in the statement<br>of recognised<br>financial assets | Net amount of<br>financial assets<br>presented in the<br>consolidated<br>statement of<br>financial position | Financial<br>instruments<br>other than<br>cash collateral   | Cash collateral<br>received | Net amount      |  |
|  |         | 已確認<br>金融資產總額   | 抵銷之已確認<br>金融負債總額  | 狀況表中呈列之<br>金融資產淨額<br>(現金抵押品除外)  | 金融工具<br>已收現金抵押品             | 淨額              |  |
|  |         | HK\$'000<br>千港元   | HK\$'000<br>千港元   | HK\$'000<br>千港元   | HK\$'000<br>千港元             | HK\$'000<br>千港元 |  |
| At 31 December 2020<br>於二零二零年十二月三十一日     |         |   |   |   |                             |                 |  |
| Type of financial assets                 | 金融資產類型  |   |   |   |                             |                 |  |
| Trade receivables from<br>clearing house | 應收結算所賬款 | 8,010   | (3,387)   | 4,623   | -                           | 4,623           |  |
| At 31 December 2019<br>於二零一九年十二月三十一日     |         |   |   |   |                             |                 |  |
| Type of financial assets                 | 金融資產類型  |   |   |   |                             |                 |  |
| Trade receivables from<br>clearing house | 應收結算所賬款 | 5,141   | (4,248)   | 893   | -                           | 893             |  |

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.4 Credit risk (Continued) (vi) Offsetting (Continued)

## 50. 財務風險管理目標及政策 (續)

### 50.4 信貸風險 (續) (vi) 抵銷 (續)

|                                  |         | Financial liabilities subject to offsetting<br>可予抵銷之金融負債  |  |  |  |  |                  |
|----------------------------------|---------|---|--|--|--|--|------------------|
|                                  |         | Related amounts not offset in the consolidated statement of<br>financial position<br>並無於綜合財務狀況表中抵銷之相關金額 |  |  |  |  |                  |
|                                  |         | Gross amount<br>of recognised<br>financial assets   | Net amount<br>of financial<br>liabilities  |  |  |  |                  |
|                                  |         | Gross amount<br>of recognised<br>financial<br>liabilities   | offset in the<br>consolidated<br>statement of<br>financial position<br>於綜合<br>財務狀況表中<br>抵銷之已確認<br>金融資產總額 | presented in the<br>consolidated<br>statement of<br>financial position<br>於綜合<br>財務狀況表中<br>呈列之<br>金融負債淨額 | Financial<br>instruments<br>other than cash<br>collateral<br>金融工具<br>(現金抵押品<br>除外) | Cash collateral<br>received<br>已收<br>現金抵押品 | Net amount<br>淨額 |
|                                  |         | HK\$'000<br>千港元   | HK\$'000<br>千港元  | HK\$'000<br>千港元  | HK\$'000<br>千港元  | HK\$'000<br>千港元                            | HK\$'000<br>千港元  |
|                                  |         | At 31 December 2020<br>於二零二零年十二月三十一日  |  |  |  |  |                  |
| Type of financial liabilities    | 金融負債類型  |   |  |  |  |  |                  |
| Trade payables to clearing house | 應付結算所賬款 | 3,387   | (3,387)  | -  | -  | -  | -                |
|                                  |         | At 31 December 2019<br>於二零一九年十二月三十一日  |  |  |  |  |                  |
| Type of financial liabilities    | 金融負債類型  |   |  |  |  |  |                  |
| Trade payables to clearing house | 應付結算所賬款 | 7,650   | (4,248)  | 3,402  | -  | -  | 3,402            |

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.4 Credit risk (Continued)

#### (vi) Offsetting (Continued)

The tables below reconcile the amounts of trade receivables and trade payables as presented in the consolidated statement of financial position:

| Trade receivables   |                           | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|---|---------------------------|----------------------------------|----------------------------------|
|   | 應收賬款                      |                                  |                                  |
| Net amount of trade receivables from clearing house   | 應收結算所賬款淨額                 | 4,623                            | 893                              |
| Trade, loan and interest receivables not in the scope of offsetting disclosure                        | 不在抵銷披露範圍之應收賬款、應收貸款及應收利息   | 387,124                          | 477,369                          |
| Trade, loan and interest receivables as disclosed in the consolidated statement of financial position | 綜合財務狀況表所披露之應收賬款、應收貸款及應收利息 | 391,747                          | 478,262                          |
| Trade payables  |                           | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|   | 應付賬款                      |                                  |                                  |
| Net amount of trade payables to clearing house  | 應付結算所賬款淨額                 | -                                | 3,402                            |
| Trade payables not in the scope of offsetting disclosure  | 不在抵銷披露範圍之應付賬款             | 360,624                          | 408,025                          |
| Trade payables as disclosed in the consolidated statement of financial position                       | 綜合財務狀況表所披露之應付賬款           | 360,624                          | 411,427                          |

## 50. 財務風險管理目標及政策(續)

### 50.4 信貸風險(續)

#### (vi) 抵銷(續)

下表為於綜合財務狀況表所呈列應收賬款與應付賬款之對銷：

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.5 Liquidity risk

Liquidity risk related to the risk that the Group will not be able to meet its obligation associated with its financial liabilities. The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored on a day-to-day basis. Long-term liquidity needs for a 360-day lookout period are identified monthly.

The Group maintains mainly cash to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

The following tables show the remaining contractual maturities at the reporting date of the Group's financial liabilities, which are based on contractual undiscounted cash flow (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay. Specially, for bank borrowings which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest period in which the entity can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect.

## 50. 財務風險管理目標及政策 (續)

### 50.5 流動資金風險

流動資金風險與本集團無法履行其金融負債相關責任之風險有關。本集團透過謹慎監控長期金融負債之擬定還款期及日常業務現金流出，以管理其流動資金需求。本集團每日監察其流動資金需求。擁有360日監察期之長期流動資金需求於每月確定。

本集團主要利用現金應付其最多30日期間之流動資金需求。所需長期流動資金透過保持充足承諾信貸融資提供。

下表顯示於報告日本集團金融負債之剩餘合約到期日，其以合約未貼現現金流量（包括以合約利率計算之利息款項，或就浮息而言，基於報告日之當前利率）及本集團可能須付款之最早日期為基礎。具體而言，對於包含按要求償還條款而有關係款可由銀行全權酌情行使之銀行借貸，該分析根據實體可能須付款之最早期間列示現金流出，即猶如放款人會行使其要求即時還款之無條件權利。

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.5 Liquidity risk (Continued) As at 31 December 2020

## 50. 財務風險管理目標及政策(續)

### 50.5 流動資金風險(續) 於二零二零年十二月三十一日

|   |                | Total contractual |                        |                            |             |
|---|----------------|-------------------|------------------------|----------------------------|-------------|
|   |                | Carrying amount   | undiscounted cash flow | Within 1 year or on demand | Over 1 year |
|   |                | 賬面值               | 合約未貼現現金流量總額            | 1年內或按要求的                   | 超過1年        |
|   |                | HK\$'000          | HK\$'000               | HK\$'000                   | HK\$'000    |
|   |                | 千港元               | 千港元                    | 千港元                        | 千港元         |
| <b>Non-derivative financial liabilities</b> | <b>非衍生金融負債</b> |                   |                        |                            |             |
| Due to banks                                | 應付銀行款項         | 2,639             | 2,639                  | 2,639                      | -           |
| Due to clients                              | 應付客戶款項         | 13,835,358        | 13,835,358             | 13,835,358                 | -           |
| Trade payables                              | 應付賬款           | 360,624           | 360,624                | 360,624                    | -           |
| Borrowings                                  | 借貸             | 1,564,822         | 1,599,691              | 1,589,593                  | 10,098      |
| Lease liabilities                           | 租賃負債           | 57,570            | 72,398                 | 35,756                     | 36,642      |
| Due to directors                            | 應付董事之款項        | 12,000            | 12,600                 | 12,600                     | -           |
| Due to a shareholder                        | 應付一名股東之款項      | 21,233            | 22,026                 | 22,026                     | -           |
| Other liabilities                           | 其他負債           | 494,874           | 494,874                | 494,874                    | -           |
|   |                | 16,349,120        | 16,400,210             | 16,353,470                 | 46,740      |
| <b>Maximum contractual amount</b>           | <b>最高合約金額</b>  |                   |                        |                            |             |
| Financial guarantee issued                  | 已發出財務擔保        | -                 | 55,000                 | -                          | -           |
| Credit card commitments                     | 信用卡承擔          | -                 | 93,762                 | -                          | -           |
| Irrecoverable commitments                   | 不可收回承擔         | -                 | 34,122                 | -                          | -           |
|   |                | -                 | 182,884                | -                          | -           |



## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 50. 財務風險管理目標及政策 (續)

### 50.5 Liquidity risk (Continued) As at 31 December 2019

### 50.5 流動資金風險 (續) 於二零一九年十二月三十一日

|   |                | Total contractual |                        |                            |             |
|---|----------------|-------------------|------------------------|----------------------------|-------------|
|   |                | Carrying amount   | undiscounted cash flow | Within 1 year or on demand | Over 1 year |
|   |                | 賬面值               | 現金流量總額                 | 1年內或按要求                    | 超過1年        |
|   |                | HK\$'000          | HK\$'000               | HK\$'000                   | HK\$'000    |
|   |                | 千港元               | 千港元                    | 千港元                        | 千港元         |
| <b>Non-derivative financial liabilities</b> | <b>非衍生金融負債</b> |                   |                        |                            |             |
| Due to banks                                | 應付銀行款項         | 17,968            | 17,968                 | 16,358                     | 1,610       |
| Due to clients                              | 應付客戶款項         | 11,906,290        | 11,906,290             | 11,906,290                 | -           |
| Trade payables                              | 應付賬款           | 411,427           | 411,427                | 411,427                    | -           |
| Borrowings                                  | 借貸             | 1,740,362         | 1,750,334              | 1,750,334                  | -           |
| Lease liabilities                           | 租賃負債           | 83,975            | 99,761                 | 42,987                     | 56,774      |
| Due to directors                            | 應付董事之款項        | 22,241            | 23,098                 | 23,098                     | -           |
| Due to a shareholder                        | 應付一名股東之款項      | 12,000            | 12,600                 | 12,600                     | -           |
| Other liabilities                           | 其他負債           | 467,414           | 467,414                | 467,414                    | -           |
|   |                | 14,661,677        | 14,688,892             | 14,630,508                 | 58,384      |
| <b>Maximum contractual amount</b>           | <b>最高合約金額</b>  |                   |                        |                            |             |
| Financial guarantee issued                  | 已發出財務擔保        | -                 | 30,000                 | 30,000                     | -           |
| Credit card commitments                     | 信用卡承擔          | -                 | 93,462                 | 93,462                     | -           |
| Irrecoverable commitments                   | 不可收回承擔         | -                 | 20,983                 | 20,983                     | -           |
|   |                | -                 | 144,445                | 144,445                    | -           |

Liquidity risk also arises when there is mismatch between amounts and maturity dates of financial assets and financial liabilities.

流動資金風險乃由於金融資產及金融負債之金額及到期日錯配而產生。

The Group manages liquidity risk by holding liquid assets (including cash and deposits, financial instruments and other assets) of appropriate quality and quantity to ensure that short term funding requirements are covered within prudent limits.

本集團透過持有適當質量之流動性資產(包括現金及存款、金融工具及其他資產)管理流動資金風險,以確保在經審慎釐定之限額內符合短期資金需求。

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.5 Liquidity risk (Continued)

The following tables indicates the analysis by remaining maturities of the Group's financial assets and liabilities:

As at 31 December 2020

|                               |          | Repayable on demand<br>按要求償還<br>HK\$'000<br>千港元 | Within 1 year<br>1年內<br>HK\$'000<br>千港元 | More than 1 year<br>超過1年<br>HK\$'000<br>千港元 | No maturity date<br>無到期日<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|-------------------------------|----------|---|---|---|---|--------------------------------|
| Total financial assets        | 金融資產總額   | 8,383,429                                       | 4,696,990                               | 2,664,541                                   | 477,940                                     | 16,222,900                     |
| Total financial liabilities   | 金融負債總額   | (15,583,897)                                    | (689,457)                               | (237,219)                                   | -   | (16,510,573)                   |
| Financial asset-liability gap | 金融資產負債缺口 | (7,200,468)                                     | 4,007,533                               | 2,427,322                                   | 477,940                                     | (287,673)                      |

As at 31 December 2019

|                               |          | Repayable on demand<br>按要求償還<br>HK\$'000<br>千港元 | Within 1 year<br>1年內<br>HK\$'000<br>千港元 | More than 1 year<br>超過1年<br>HK\$'000<br>千港元 | No maturity date<br>無到期日<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|-------------------------------|----------|---|---|---|---|--------------------------------|
| Total financial assets        | 金融資產總額   | 7,057,966                                       | 4,923,765                               | 2,202,963                                   | 430,991                                     | 14,615,685                     |
| Total financial liabilities   | 金融負債總額   | (14,039,965)                                    | (635,598)                               | (97,664)                                    | -   | (14,773,227)                   |
| Financial asset-liability gap | 金融資產負債缺口 | (6,981,999)                                     | 4,288,167                               | 2,105,299                                   | 430,991                                     | (157,542)                      |

As the financial instruments such as trading portfolio investments may be sold before maturity or due to banks and clients may mature without being withdrawn, the contractual maturity dates do not represent expected dates of future cash flows.

由於金融工具如交易組合投資可能於到期前出售或應付銀行及客戶款項可能在不被提取之情況下到期，合約到期日並非代表未來現金流量之預計日期。

## 50. 財務風險管理目標及政策(續)

### 50.5 流動資金風險(續)

下表列示本集團按餘下到期日計算金融資產及負債之分析：

於二零二零年十二月三十一日

於二零一九年十二月三十一日

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.5 Liquidity risk (Continued)

The below table summarises the maturity analysis of borrowings with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts included interest payments computed using contractual rates. As a result, these amounts were greater than the amount disclosed in the "Within one year and on demand" time band in the maturity analysis above.

As at 31 December 2020, one of the financial covenants as stipulated in the relevant agreements in respect of borrowings with outstanding principal of approximately HK\$784,630,000 was not satisfied. Accordingly, from accounting perspective, the aforesaid borrowings would be regarded as immediately due and payable should the lenders exercise their rights under the agreements as at 31 December 2020. HK\$52,000,000 of the abovementioned balance has been fully repaid subsequent to the reporting date and the relevant banks have granted a waiver to the Group for the remaining balance of HK\$732,630,000 in respect of the unsatisfied financial covenant before the date of authorisation of the financial statements.

The maturity analysis of bank borrowings is shown as below:

|                        |               | Carrying amount | Total contractual      | Within 1 year or on demand | Over 1 year        | Over 2 years |
|------------------------|---------------|-----------------|------------------------|----------------------------|--------------------|--------------|
|                        |               |                 | undiscounted cash flow |                            | but within 2 years |              |
|                        |               | 賬面值             | 合約未貼現                  | 1年內或                       | 超過1年               | 超過2年         |
|                        |               | HK\$'000        | HK\$'000               | 1年內或                       | 但於2年內              | 超過2年         |
|                        |               | 千港元             | 千港元                    | 按                          | 要求                 | 要求           |
|                        |               |                 |                        | 要求                         | 但於2年內              | 超過2年         |
|                        |               |                 |                        | 要求                         | 但於2年內              | 超過2年         |
|                        |               |                 |                        | 要求                         | 但於2年內              | 超過2年         |
| As at 31 December 2020 | 於二零二零年十二月三十一日 | 772,028         | 821,642                | 406,190                    | 415,452            | -            |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | 953,384         | 1,061,865              | 232,980                    | 411,561            | 417,324      |

## 50. 財務風險管理目標及政策 (續)

### 50.5 流動資金風險 (續)

下表概述根據貸款協議所載協定擬定還款期須按要求償還條款之借貸之到期日分析。有關金額包括以合約利率計算之利息款項。因此，該等金額大於上文到期日分析之「一年內或按需求」時間範圍所披露之金額。

於二零二零年十二月三十一日，未能達成有關協議當中一項財務約定事項，有關借款的未償還本金約為784,630,000港元。因此，從會計角度，於二零二零年十二月三十一日倘貸款人根據協議行使權利，該筆貸款可被視為即時到期。上述結餘52,000,000港元已於報告日期後悉數償還，有關銀行已於財務報表授權刊發前就未達成財務約定事項的餘下結餘732,630,000港元向本集團授予豁免。

銀行借款到期分析如下：

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.6 Fair value risk

The fair value of the Group's current financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short-term maturity. The fair values of non-current financial assets and liabilities were not disclosed because the carrying values were not materially different from their fair values.

### 50.7 Equity price risk

Equity price risk related to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of change in market price (other than changes in interest rate and foreign exchange rate). The Group is exposed to equity price changes arising from equity investments classified as trading portfolio investments and financial assets at fair value through other comprehensive income.

Decisions to buy or sell trading portfolio investments are based on daily monitoring of the performance of individual securities and other industry indicators, as well as the Group's liquidity needs. Financial assets at fair value through other comprehensive income are based on their longer term growth potential and are monitored regularly for performance against expectations.

The following table indicates the approximate change in the Group's profit after income tax and consolidated equity in response to reasonably possible changes in the share prices of the listed investments classified as trading portfolio investments and financial assets at fair value through other comprehensive income to which the Group has significant exposure at the reporting date. The analysis is performed on the same basis for 2019.

## 50. 財務風險管理目標及政策(續)

### 50.6 公平值風險

由於本集團流動金融資產及負債即時或於短期內到期，故其公平值與賬面值並無重大差異。由於非流動金融資產及負債之賬面值與公平值並無重大差異，故不披露其公平值。

### 50.7 股本價格風險

股本價格風險與金融工具之公平值或未來現金流量因市價變動而波動(利率及外匯匯率變動除外)之風險有關。本集團須面對來自分類為交易組合投資及按公平值計入其他全面收入之金融資產之股本投資之股本價格變動風險。

買賣交易組合投資決定按每日監察個別證券之表現及其他行業指標以及本集團之流動資金需要作出。按公平值計入其他全面收入之金融資產以較長期間之增長潛力為基準，並定期監察投資表現是否符合預期。

下表顯示分類為交易組合投資之上市投資股價及本集團於報告日所持面對重大風險之按公平值計入其他全面收入之金融資產之合理可能變動，對本集團之除所得稅後溢利及綜合權益之概約變動。二零一九年進行之分析採用相同基準。

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 50. 財務風險管理目標及政策 (續)

### 50.7 Equity price risk (Continued)

### 50.7 股本價格風險 (續)

|  |                           | 2020<br>二零二零年   |           | 2019<br>二零一九年   |           |
|--|---------------------------|---|-----------|---|-----------|
|  |                           | Effect on fair value through other comprehensive income |           | Effect on fair value through other comprehensive income |           |
|  |                           | Effect on loss after tax                                |           | Effect on profit after tax                              |           |
|  |                           | 對按公平值計入對除稅後虧損之影響  |           | 對按公平值計入對除稅後溢利之影響  |           |
|  |                           | HK\$'000<br>千港元   |           | HK\$'000<br>千港元   |           |
| <b>Trading portfolio investments:</b>                                    | <b>交易組合投資：</b>            |   |           |   |           |
| Increase in share prices of the listed investments by 30% (2019: 30%)    | 上市投資之股價上升30% (二零一九年：30%)  | (1,551)   | -         | 44,205  | -         |
| Decrease in share prices of the listed investments by 30% (2019: 30%)    | 上市投資之股價下跌30% (二零一九年：30%)  | 1,551   | -         | (44,205)  | -         |
| <b>Financial assets at fair value through other comprehensive income</b> | <b>按公平值計入其他全面收入之金融資產：</b> |   |           |   |           |
| Increase in share price of the listed investment by 30% (2019: 30%)      | 上市投資之股價上升30% (二零一九年：30%)  | -   | 139,453   | -   | 125,177   |
| Decrease in share price of the listed investment by 30% (2019: 30%)      | 上市投資之股價下跌30% (二零一九年：30%)  | -   | (139,453) | -   | (125,177) |

### 50.8 Operational risks

Operational risk is the risk of losses due to faulty internal processes, procedures and systems, inappropriate behaviour by employees, or external influences. The definition includes all legal risks as well as reputational risks. However, it excludes strategic risks. The ongoing monitoring of operational risk is, whenever possible, embedded in the operational processes. Separation of functions and a dual control principle are crucial elements in monitoring. The directors oversee the management of operational risk based on standardised reporting and ad hoc information.

### 50.8 營運風險

營運風險指由於不完善之內部流程、程序及制度、員工行為不當或外部影響而造成損失之風險。其定義包括所有法律風險以及聲譽風險，然而並不包括戰略風險。每當可行，營運過程中均會持續監察營運風險。職能分隔和雙重控制原則是營運風險監控之關鍵因素。董事基於標準化報告及即時資料監察營運風險管理。

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.8 Operational risks (Continued)

#### Capital management

The Group's capital management objectives are:

- (i) To safeguard the Group's ability to continue as a going concern, so that it continues to provide returns and benefits for stakeholders;
- (ii) To support the Group's stability and growth; and
- (iii) To provide capital for the purpose of potential mergers and acquisitions.

The Group sets the amount of equity capital in proportion to its overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the amount dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts.

The capital-to-overall financing ratio at reporting date was as follows:

## 50. 財務風險管理目標及政策(續)

### 50.8 營運風險(續)

#### 資本管理

本集團之資本管理目標為：

- (i) 確保本集團能夠持續經營，以繼續為持份者提供回報及利益；
- (ii) 支持本集團穩定增長；及
- (iii) 為潛在合併及收購提供資金。

本集團根據其整體財務結構之比例釐定股本資金。本集團管理資本結構，並因應經濟狀況轉變及相關資產之風險特徵作出調整。為維持或調整資本結構，本集團或會調整向股東支付之股息金額、股東資本回報、發行新股份或出售資產減債。

於報告日，資本佔整體融資比率如下：

|                                    |             | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|------------------------------------|-------------|----------------------------------|----------------------------------|
| <b>Capital</b>                     | <b>資本</b>   |                                  |                                  |
| Total equity                       | 權益總額        | 4,736,227                        | 4,660,889                        |
| <b>Overall financing</b>           | <b>整體融資</b> |                                  |                                  |
| Borrowings                         | 借貸          | 1,546,822                        | 1,740,362                        |
| Due to a shareholder               | 應付一名股東之款項   | 12,000                           | 12,000                           |
| Due to directors                   | 應付董事之款項     | 21,233                           | 22,241                           |
|                                    |             | <b>1,598,055</b>                 | 1,774,603                        |
| Capital-to-overall financing ratio | 資本佔整體融資比率   | <b>2.96</b>                      | 2.63                             |

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.8 Operational risks (Continued)

#### Capital adequacy of Bendura Group

Starting 1 February 2015, the calculation of regulatory capital incorporates the capital requirements following the Capital Requirements Regulation (EU) No. 575/2013 (Capital Requirements Regulation – CRR) and the Capital Requirements Directive No. 2013/36/EU (CRD 4) as implemented into Liechtenstein law. The minimum capital requirement is 8% of risk weighted assets which consists at least of 4.5% common equity tier 1 (CET 1) capital, 1.5% additional tier 1 capital and 2% tier 2 capital. In addition, the Bendura Group has to fulfill 2.5% buffer requirements (capital conservation buffer). The buffer requirement must be fulfilled with CET 1 capital.

Capital ratios measure capital adequacy by comparing the Bendura Group's eligible capital with balance sheet assets, off-balance sheet commitments and market positions at weighted amounts to reflect their relative risk. Assets are weighted according to broad categories of notional risk, first being multiplied by a conversion factor and then being assigned a risk weighting according to the amount of capital deemed to be necessary for them. Off-balance sheet commitments and default risk positions are also multiplied and risk-weighted. Market risk is calculated with the standard approach.

All results are based on the full application of the final CRR and CRD 4 framework in the European Union and thus without consideration of applicable transitional rules. The Bendura Group has complied with all externally imposed capital requirements as at 31 December 2020 and 2019.

### 50.9 Fair value measurements recognised in the consolidated statement of financial position

The fair values of the Group's financial assets and financial liabilities are determined as follows:

- the fair values of listed equity investments, precious metal, and debt instruments classified under due from banks, trading portfolio investments, financial asset at fair value through other comprehensive income and due to clients are determined by reference to their quoted market prices at the reporting date in active markets and have been translated using the spot foreign currency rates at the end of the reporting periods where appropriate.

## 50. 財務風險管理目標及政策 (續)

### 50.8 營運風險 (續)

#### 富地集團資本充足

自二零一五年二月一日起，隨著列支敦士登法律納入資本要求法規(歐盟)(資本要求法規—CRR)第575/2013號及資本規定指令第2013/36/EU號(CRD 4)，監管資本之計算包含資本要求。最低資本要求為風險加權資產之8%，其中至少包括4.5%核心一級資本(核心一級資本)、1.5%額外一級資本及2%二級資本。此外，富地集團須滿足2.5%之緩衝要求(資本儲備緩衝)。緩衝要求必須以核心一級資本達成。

資本充足率以資本比率衡量，方法為將富地集團之合格資本與資產負債表中資產、資產負債表外承擔及按加權金額計算之市場持倉比較，以反映其相對風險。資產根據大範圍名義風險加權，先乘以一個轉換因素，再根據被視為對其必要之資金數額分配加權風險。資產負債表外承擔及違約風險狀況亦會作出乘數及被分配加權風險。市場風險以標準方法計算。

所有結果基於全面遵守歐盟最終版CRR及CRD 4框架而得出，因此未考慮適用過渡規定。富地集團於二零二零年及二零一九年十二月三十一日已全面遵守外部施加之資本要求。

### 50.9 於綜合財務狀況表確認之公平值計量

本集團金融資產及金融負債之公平值按以下情況釐定：

- 分類至應收銀行款項、交易組合投資、按公平值計入其他全面收入之金融資產及應付客戶款項之上市股本投資、貴金屬及債務工具之公平值經參考其於報告日於活躍市場上之買入市價釐定，並已按報告期末之即期匯率換算(如適用)。



## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.9 Fair value measurements recognised in the consolidated statement of financial position

(Continued)

- the fair value of investment fund units as at 31 December 2020 under trading portfolio investments is determined by reference to their quoted market prices at the reporting date in active markets and have been translated using the spot foreign currency rates at the end of the reporting periods where appropriate.
- the fair value of certain equity investments under financial assets at fair value through other comprehensive income is determined based on the fair value of their underlying net assets.
- the fair values of unlisted debt instruments classified under trading portfolio investments have been determined using significant inputs, which are market observable, directly or indirectly.
- the fair values of derivative financial assets and liabilities classified at level 2 financial assets are marked to market using the foreign exchange forward rates ruling at the end of each reporting periods.
- the fair value of unlisted investment in insurance policy is determined based on amount value as stated in cash surrender value statement issued by insurer.

HKFRS 13 introduced a three-level hierarchy for fair value measurement disclosures and additional disclosures about the relative reliability of fair value measurements.

The hierarchy groups financial assets and financial liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and financial liabilities. The fair value hierarchy has the following levels:

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: observable direct and indirect inputs other than quoted prices included within Level 1; and
- Level 3: unobservable inputs are inputs for which market data are not available.

## 50. 財務風險管理目標及政策(續)

### 50.9 於綜合財務狀況表確認之公平值計量(續)

- 於二零二零年十二月三十一日，交易組合投資的投資基金單位的公平值參考其於報告日於活躍市場上之買入市價釐定，並已按報告期末之即期匯率換算(如適用)。
- 按公平值計入其他全面收入之金融資產之若干股本投資之公平值按相關資產淨值之公平值釐定。
- 分類至交易組合投資之非上市債務工具之公平值乃直接或間接使用市場可觀察之重大輸入數值釐定。
- 分類為第二級金融資產之衍生金融資產及負債之公平值乃以各個報告期末當前遠期匯率按市值計價。
- 未上市保單投資之公平值乃按保險公司出具現金退保單所示之金額而釐定。

香港財務報告準則第13號就公平值計量披露及有關公平值計量之相對可靠性之額外披露引入三個公平值層級。

金融資產及金融負債根據用於計量金融資產及金融負債之公平值之重大輸入數值之相對可靠性分為三個層級。公平值層級有以下層級：

- 第一級：相同資產或負債於活躍市場之報價(未經調整)；
- 第二級：直接或間接可觀察之輸入數值(不包括第一級報價)；及
- 第三級：無法觀察之輸入數值乃並無市場數據之輸入數值。

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

## 50. 財務風險管理目標及政策 (續)

### 50.9 Fair value measurements recognised in the consolidated statement of financial position

(Continued)

The financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into the fair value hierarchy as follows:

### 50.9 於綜合財務狀況表確認之公平值計量 (續)

綜合財務狀況表以公平值計量之金融資產及金融負債分為以下公平值層級：

|   |                   | Level 1<br>第一級<br>HK\$'000<br>千港元 | Level 2<br>第二級<br>HK\$'000<br>千港元 | Level 3<br>第三級<br>HK\$'000<br>千港元 | Total<br>總計<br>HK\$'000<br>千港元 |
|---|-------------------|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
| <b>2020</b>   | <b>二零二零年</b>      |                                   |                                   |                                   |                                |
| <b>Assets</b>   | <b>資產</b>         |                                   |                                   |                                   |                                |
| Due from bank – precious metal                                    | 應收銀行款項—貴金屬        | –                                 | 130,055                           | –                                 | 130,055                        |
| Trading portfolio investments                                     | 交易組合投資            | 23,028                            | 31,164                            | 26,118                            | 80,310                         |
| Derivative financial assets                                       | 衍生金融資產            | –                                 | 29,224                            | –                                 | 29,224                         |
| Financial assets at fair value through other comprehensive income | 按公平值計入其他全面收入之金融資產 | 464,843                           | 5,951                             | –                                 | 470,794                        |
|   |                   | 487,871                           | 196,394                           | 26,118                            | 710,383                        |
| <b>Liabilities</b>  | <b>負債</b>         |                                   |                                   |                                   |                                |
| Due to clients – precious metal                                   | 應付客戶款項—貴金屬        | –                                 | 130,119                           | –                                 | 130,119                        |
| Derivative financial liabilities                                  | 衍生金融負債            | –                                 | 31,334                            | –                                 | 31,334                         |
|   |                   | –                                 | 161,453                           | –                                 | 161,453                        |
| <b>2019</b>   | <b>二零一九年</b>      |                                   |                                   |                                   |                                |
| <b>Assets</b>   | <b>資產</b>         |                                   |                                   |                                   |                                |
| Due from bank – precious metal                                    | 應收銀行款項—貴金屬        | –                                 | 56,935                            | –                                 | 56,935                         |
| Trading portfolio investments                                     | 交易組合投資            | 147,349                           | 33,796                            | 46,758                            | 227,903                        |
| Derivative financial assets                                       | 衍生金融資產            | –                                 | 10,275                            | –                                 | 10,275                         |
| Financial assets at fair value through other comprehensive income | 按公平值計入其他全面收入之金融資產 | 417,256                           | 5,605                             | –                                 | 422,861                        |
|   |                   | 564,605                           | 106,611                           | 46,758                            | 717,974                        |
| <b>Liabilities</b>  | <b>負債</b>         |                                   |                                   |                                   |                                |
| Due to clients – precious metal                                   | 應付客戶款項—貴金屬        | –                                 | 56,762                            | –                                 | 56,762                         |
| Derivative financial liabilities                                  | 衍生金融負債            | –                                 | 54,788                            | –                                 | 54,788                         |
|   |                   | –                                 | 111,550                           | –                                 | 111,550                        |

## 50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 50.9 Fair value measurements recognised in the consolidated statement of financial position

(Continued)

There have been no significant transfers between Levels 1 and 2 in the reporting period.

The level in the fair value hierarchy within which the financial assets and financial liabilities are categorised is entirely based on the lowest level of input that is significant to the fair value measurement.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods.

The fair value of unlisted investment funds classified as trading securities is Level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balances are provided as below.

## 50. 財務風險管理目標及政策(續)

### 50.9 於綜合財務狀況表確認之公平值計量(續)

於報告期內，第一級及第二級之間並無重大轉撥。

金融資產及金融負債整體所歸入之公平值層級級別，乃基於對公平值計量屬重大之最低層次輸入數值劃分。

計量公平值所用方法及評估方式與以往報告期間無異。

分類為買賣證券的非上市投資基金的公平值屬第三級經常性公平值計量。期初及期末公平值結餘的對賬載列如下。

|  |                   | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| Opening balance (Level 3 recurring fair value) | 期初結餘(第三級經常性公平值計量) | 46,758                           | -                                |
| Acquisition                                    | 收購                | -                                | 47,048                           |
| Fair value change during the year              | 年內公平值變動           | (23,457)                         | (1,172)                          |
| Exchange realignment                           | 匯兌調整              | 2,817                            | 882                              |
| Closing balance (Level 3 recurring fair value) | 期末結餘(第三級經常性公平值計量) | 26,118                           | 46,758                           |

## 51. STATEMENT OF FINANCIAL POSITION

## 51. 財務狀況表

|  | Notes<br>附註 | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
|--|-------------|----------------------------------|----------------------------------|
| <b>ASSETS AND LIABILITIES</b>                                    |             |                                  |                                  |
| <b>Non-current assets</b>  |             |                                  |                                  |
| Property, plant and equipment                                    |             | 18,956                           | 37,967                           |
| Interests in subsidiaries  |             | 2,200,286                        | 2,182,132                        |
| Financial asset at fair value through other comprehensive income |             | 288,142                          | 243,930                          |
|  |             | <b>2,507,384</b>                 | 2,464,029                        |
| <b>Current assets</b>  |             |                                  |                                  |
| Other assets   |             | 61,413                           | 62,415                           |
| Trading portfolio investments                                    |             | 293                              | 57,466                           |
| Cash and deposits  |             | 114,218                          | 26,441                           |
|  |             | <b>175,924</b>                   | 146,322                          |
| <b>Current liabilities</b>                                       |             |                                  |                                  |
| Other liabilities  |             | 44,291                           | 36,379                           |
| Borrowings   |             | 1,125,028                        | 1,329,114                        |
| Lease liabilities  |             | 18,569                           | 17,665                           |
| Due to a shareholder   |             | 12,000                           | 12,000                           |
|  |             | <b>1,199,888</b>                 | 1,395,158                        |
| <b>Net current liabilities</b>                                   |             | <b>(1,023,964)</b>               | (1,248,836)                      |
| <b>Total assets less current liabilities</b>                     |             | <b>1,483,420</b>                 | 1,215,193                        |
| <b>Non-current liabilities</b>                                   |             |                                  |                                  |
| Lease liabilities  |             | 767                              | 19,336                           |
| <b>Net assets</b>  |             | <b>1,482,653</b>                 | 1,195,857                        |
| <b>EQUITY</b>  |             |                                  |                                  |
| Share capital  | 41          | 435,189                          | 435,189                          |
| Reserves   | 42          | 1,047,464                        | 760,668                          |
| <b>Total equity</b>  |             | <b>1,482,653</b>                 | 1,195,857                        |

The statement of financial position of the Company was approved and authorised for issue by the board of directors of the Company on 30 March 2021 and are signed on its behalf by:

本公司財務狀況表於二零二一年三月三十日獲本公司董事會批准及授權刊發，並由以下董事代表簽署：

Hon Kwok Lung  
韓國龍  
Director  
董事

Shang Jianguang  
商建光  
Director  
董事

## 52. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries, each of which is a limited liability company are as follows:

## 52. 主要附屬公司資料

主要附屬公司(均為有限公司)詳情如下:

| Name<br>名稱   | Place of incorporation/<br>registration<br>註冊成立/註冊地點      | Particulars of issued/<br>paid-up capital<br>已發行/繳足股本詳情 | Effective percentage of equity<br>interest held by the Company<br>本公司所持股權之實際百分比 |               | Principal activities and principal<br>place of business<br>主要業務及主要營業地點   |
|--|---|---|---|---------------|--|
|  |   |   | 2020<br>二零二零年   | 2019<br>二零一九年 |  |
| <i>Directly held:</i><br>直接持有:   |   |   |   |               |  |
| Qingapen Limited<br>晴嘉投資有限公司   | Hong Kong<br>香港   | HK\$2<br>2港元  | 100%  | 100%          | Property investment, PRC<br>於中國投資物業  |
| China Haidian Commercial Network Services<br>Limited<br>中國海瀾商業網絡服務有限公司 | Hong Kong<br>香港   | HK\$2<br>2港元  | 100%  | 100%          | Property investment, PRC<br>於中國投資物業  |
| Haidian-Creation International Limited                                 | British Virgin Islands<br>("BVI")<br>英屬處女群島<br>(「英屬處女群島」) | US\$1<br>1美元  | 100%  | 100%          | Investment holding, Hong Kong<br>於香港投資控股   |
| Sure Best Management Limited<br>港益管理有限公司                               | Hong Kong<br>香港   | HK\$1<br>1港元  | 100%  | 100%          | Investment holding, Hong Kong<br>於香港投資控股   |
| Jia Cheng Investment Limited<br>佳城投資有限公司                               | BVI<br>英屬處女群島   | US\$1<br>1美元  | 100%  | 100%          | Investment holding, Hong Kong<br>於香港投資控股   |
| Citychamp Watch and Jewellery SwissCo AG                               | Switzerland<br>瑞士   | CHF100,000<br>100,000瑞士法郎                               | 100%  | 100%          | Issuance of bonds, Switzerland<br>於瑞士發行債券  |
| Bendura Bank AG  | Liechtenstein   | CHF20,000,000   | 85.44%  | 85.22%        | Assets management, accepting<br>client deposits, making investment<br>and granting loans, Liechtenstein<br>於列支敦士登管理資產、接受客戶存款、投資及批出貸款 |
| 富地銀行股份有限公司   | 列支敦士登   | 20,000,000瑞士法郎  |   |               |  |
| Shun Heng Finance Holding (Hong Kong)<br>Limited<br>信亨金融控股(香港)有限公司     | Hong Kong<br>香港   | HK\$50,000,000<br>50,000,000港元                          | 60%   | 60%           | Investment holding, Hong Kong<br>於香港投資控股   |

## 52. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES (Continued)

## 52. 主要附屬公司資料 (續)

| Name<br>名稱  | Place of incorporation/<br>registration<br>註冊成立/註冊地點 | Particulars of issued/<br>paid-up capital<br>已發行/繳足股本詳情 | Effective percentage of equity<br>interest held by the Company<br>本公司所持股權之實際百分比 |               | Principal activities and principal<br>place of business<br>主要業務及主要營業地點  |
|---|--|---|---|---------------|---|
|   |  |   | 2020<br>二零二零年   | 2019<br>二零一九年 |   |
| <i>Indirectly held:</i><br>間接持有:  |  |   |   |               |   |
| EBOHR Luxuries International Co., Limited<br>(note a)<br>依波精品(深圳)有限公司(附註a)                          | PRC<br>中國  | HK\$116,000,000<br>116,000,000港元                        | 100%  | 100%          | Manufacture and distribution of<br>watches and timepieces, PRC<br>於中國製造及分銷鐘錶及時計產品                               |
| Shenzhen EBOHR Luxuries Online<br>E-commerce Company Limited (note b)<br>深圳市依波精品在線電子商務有限公司<br>(附註b) | PRC<br>中國  | RMB19,000,000<br>人民幣 19,000,000元                        | 100%  | 100%          | Distribution of watches and<br>timepieces, PRC<br>於中國分銷鐘錶及時計產品  |
| Actor Investments Limited<br>安達投資有限公司   | Hong Kong<br>香港                                      | HK\$10,000<br>10,000港元                                  | 100%  | 100%          | Investment holding, Hong Kong<br>於香港投資控股  |
| Zhuhai Rossini Watch Industry Limited (note d)<br>珠海羅西尼錶業有限公司(附註d)                                  | PRC<br>中國  | RMB180,000,000<br>人民幣 180,000,000元                      | 91%   | 91%           | Manufacture and distribution of<br>watches and timepieces, PRC<br>於中國製造及分銷鐘錶及時計產品                               |
| PAMA Precision Manufacturing Limited<br>(note b)<br>深圳市帕瑪精品製造有限公司(附註b)                              | PRC<br>中國  | RMB11,000,000<br>人民幣 11,000,000元                        | 100%  | 100%          | Manufacture and distribution of<br>watches and timepieces, PRC<br>於中國製造及分銷鐘錶及時計產品                               |
| Shenzhen Permanence Commerce Co.,<br>Limited (note b)<br>深圳市恒譽嘉時貿易有限公司(附註b)                         | PRC<br>中國  | RMB23,000,000<br>人民幣 23,000,000元                        | 91%   | 91%           | Distribution of watches and<br>timepieces, PRC<br>於中國分銷鐘錶及時計產品  |
| Zhuhai Rossini Glasses Industry Limited<br>(note b)<br>珠海羅西尼眼鏡有限公司(附註b)                             | PRC<br>中國  | RMB1,000,000<br>人民幣 1,000,000元                          | 91%   | 91%           | Distribution of glasses, PRC<br>於中國分銷眼鏡   |
| Sino Swiss Clock & Watch Technology Limited<br>(note b)<br>中瑞(珠海)鐘錶技術有限公司(附註b)                      | PRC<br>中國  | RMB5,000,000<br>人民幣 5,000,000元                          | 91%   | 91%           | Provision of services in watch<br>maintenance and repairment and<br>technical advisory, PRC<br>於中國提供鐘錶維修及技術諮詢服務 |
| Eterna AG Uhrenfabrik   | Switzerland<br>瑞士                                    | CHF6,000,000<br>6,000,000瑞士法郎                           | 100%  | 100%          | Manufacture and distribution<br>of watches and timepieces,<br>Switzerland<br>於瑞士製造及分銷鐘錶及時計產品                    |

## 52. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES (Continued)

## 52. 主要附屬公司資料 (續)

| Name<br>名稱  | Place of incorporation/<br>registration<br>註冊成立/註冊地點 | Particulars of issued/<br>paid-up capital<br>已發行/繳足股本詳情 | Effective percentage of equity<br>interest held by the Company<br>本公司所持股權之實際百分比 |               | Principal activities and principal<br>place of business<br>主要業務及主要營業地點                        |
|---|--|---|---|---------------|---|
|   |  |   | 2020<br>二零二零年   | 2019<br>二零一九年 |   |
| <i>Indirectly held: (Continued)</i><br>間接持有：(續)                                     |  |   |   |               |   |
| Eterna Movement AG  | Switzerland<br>瑞士                                    | CHF1,000,000<br>1,000,000瑞士法郎                           | 100%  | 100%          | Manufacture and distribution<br>of watches and timepieces,<br>Switzerland<br>於瑞士製造及分銷鐘錶及時計產品  |
| Guangdong Juxin Watch Co., Limited (note d)<br>廣東鉅信鐘錶連鎖有限公司(附註d)                    | PRC<br>中國  | RMB15,000,000<br>人民幣15,000,000元                         | 51%   | 51%           | Distribution of watches and<br>timepieces, PRC<br>於中國分銷鐘錶及時計產品                                |
| Liaoning Hengjia Horologe Co., Limited<br>(note d)<br>遼寧恒嘉鐘錶有限公司(附註d)               | PRC<br>中國  | RMB25,500,000<br>人民幣25,500,000元                         | 51%   | 51%           | Distribution of watches and<br>timepieces, PRC<br>於中國分銷鐘錶及時計產品                                |
| Guangzhou Five Goat Watch Co., Limited<br>(note b)<br>廣州五羊錶業有限公司(附註b)               | PRC<br>中國  | RMB100,000,000<br>人民幣100,000,000元                       | 74.1%   | 74.1%         | Manufacture and distribution of<br>watches and timepieces, PRC<br>於中國製造及分銷鐘錶及時計產品             |
| Eterna (Asia) Limited<br>綺年華(亞洲)有限公司  | Hong Kong<br>香港                                      | HK\$5,000,000<br>5,000,000港元                            | 70%   | 70%           | Distribution of watches and<br>timepieces, Hong Kong<br>於香港分銷鐘錶及時計產品                          |
| Centenaire Trading (Shanghai) Co., Ltd<br>(note a)<br>聖坦尼爾貿易(上海)有限公司(附註a)           | PRC<br>中國  | RMB4,550,000<br>人民幣4,550,000元                           | 70%   | 70%           | Distribution of watches and<br>timepieces, PRC<br>於中國分銷鐘錶及時計產品                                |
| Eterna (Beijing) International Trading Co., Ltd<br>(note b)<br>綺年華(北京)國際貿易有限公司(附註b) | PRC<br>中國  | RMB1,000,000<br>人民幣1,000,000元                           | 70%   | 70%           | Distribution of watches and<br>timepieces, PRC<br>於中國分銷鐘錶及時計產品                                |
| Jilin Dayou Watch Limited (note d)<br>吉林大有鐘錶有限公司(附註d)                               | PRC<br>中國  | RMB15,000,000<br>人民幣15,000,000元                         | 51%   | 51%           | Distribution of watches and<br>timepieces, PRC<br>於中國分銷鐘錶及時計產品                                |
| Montres Corum Sàrl  | Switzerland<br>瑞士                                    | CHF3,000,000<br>3,000,000瑞士法郎                           | 100%  | 100%          | Manufacture, and distribution<br>of watches and timepieces,<br>Switzerland<br>於瑞士製造及分銷鐘錶及時計產品 |



## 52. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES (Continued)

## 52. 主要附屬公司資料 (續)

| Name<br>名稱                                      | Place of incorporation/<br>registration<br>註冊成立/註冊地點 | Particulars of issued/<br>paid-up capital<br>已發行/繳足股本詳情 | Effective percentage of equity<br>interest held by the Company<br>本公司所持股權之實際百分比 |               | Principal activities and principal<br>place of business<br>主要業務及主要營業地點    |
|---|--|---|---|---------------|---|
|   |  |   | 2020<br>二零二零年   | 2019<br>二零一九年 |   |
| <i>Indirectly held: (Continued)</i><br>間接持有：(續) |  |   |   |               |   |
| Montres Corum (UK) Ltd.                         | United Kingdom<br>英國                                 | GBP3,383,424<br>3,383,424 英鎊                            | 100%  | 100%          | Distribution of watches and<br>timepieces, United Kingdom<br>於英國分銷鐘錶及時計產品 |
| Corum Italia SRL                                | Italy<br>意大利   | EUR10,400<br>10,400 歐元                                  | 100%  | 100%          | Distribution of watches and<br>timepieces, Italy<br>於意大利分銷鐘錶及時計產品         |
| Montres Corum Europe SA                         | Switzerland<br>瑞士                                    | CHF100,000<br>100,000 瑞士法郎                              | 100%  | 100%          | Distribution of watches and<br>timepieces, Switzerland<br>於瑞士分銷鐘錶及時計產品    |
| Servicio de Importacion SA                      | Spain<br>西班牙   | EUR739,000<br>739,000 歐元                                | 100%  | 100%          | Distribution of watches and<br>timepieces, Spain<br>於西班牙分銷鐘錶及時計產品         |
| Corum Deutschland GmbH                          | Germany<br>德國  | EUR200,000<br>200,000 歐元                                | 100%  | 100%          | Distribution of watches and<br>timepieces, Germany<br>於德國分銷鐘錶及時計產品        |
| Corum (Hong Kong) Limited                       | Hong Kong<br>香港                                      | HK\$1,000<br>1,000 港元                                   | 100%  | 100%          | Distribution of watches and<br>timepieces, Hong Kong<br>於香港分銷鐘錶及時計產品      |
| The Dreyfuss Group Limited                      | United Kingdom<br>英國                                 | GBP 221,541<br>221,541 英鎊                               | 100%  | 100%          | Distribution of watches and<br>timepieces, United Kingdom<br>於英國分銷鐘錶及時計產品 |
| Rotary Overseas Limited                         | United Kingdom<br>英國                                 | GBP 1,000,000<br>1,000,000 英鎊                           | 100%  | 100%          | Distribution of watches and<br>timepieces, United Kingdom<br>於英國分銷鐘錶及時計產品 |
| Artemis Watch Company Limited                   | United Kingdom<br>英國                                 | GBP 100<br>100 英鎊                                       | 100%  | 100%          | Distribution of watches and<br>timepieces, United Kingdom<br>於英國分銷鐘錶及時計產品 |

## 52. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES (Continued)

## 52. 主要附屬公司資料 (續)

| Name<br>名稱                                      | Place of incorporation/<br>registration<br>註冊成立/註冊地點 | Particulars of issued/<br>paid-up capital<br>已發行/繳足股本詳情 | Effective percentage of equity<br>interest held by the Company<br>本公司所持股權之實際百分比 |               | Principal activities and principal<br>place of business<br>主要業務及主要營業地點   |
|---|--|---|---|---------------|--|
|   |  |   | 2020<br>二零二零年   | 2019<br>二零一九年 |  |
| <i>Indirectly held: (Continued)</i><br>間接持有：(續) |  |   |   |               |  |
| Rotary Watches LLC                              | United States of America<br>美國                       | US\$10<br>10美元  | 100%  | 100%          | Distribution of watches and<br>timepieces, United States of<br>America<br>於美國分銷鐘錶及時計產品   |
| Dreyfuss & Co SA                                | Switzerland<br>瑞士                                    | CHF 100,000<br>100,000瑞士法郎                              | 100%  | 100%          | Manufacturing of watches and<br>timepieces, Switzerland<br>於瑞士製造鐘錶及時計產品  |
| Fabrique de Moritres Rotary S.A                 | Switzerland<br>瑞士                                    | CHF 1,000,000<br>1,000,000瑞士法郎                          | 100%  | 100%          | Manufacturing and distribution<br>of watches and timepieces,<br>Switzerland<br>於瑞士製造及分銷鐘錶及時計產品   |
| Bendura Fund Management Alpha AG                | Liechtenstein<br>列支敦士登                               | CHF1,500,000<br>1,500,000瑞士法郎                           | 85.44%  | 85.22%        | Providing investment counselling,<br>acting as technical administrator<br>of fund units, acting as a fund<br>management company and acting<br>as an alternative investment fund<br>manager Liechtenstein<br>於列支敦士登提供投資諮詢、擔任基<br>金單位之技術管理員、擔任基金管<br>理公司及擔任另類投資基金經理  |
| Bendura Fund Management Beta AG                 | Liechtenstein<br>列支敦士登                               | CHF1,500,000<br>1,500,000瑞士法郎                           | 85.44%  | 85.22%        | Providing investment counselling,<br>acting as technical administrator<br>of fund units, acting as a fund<br>management company and acting<br>as an alternative investment fund<br>manager, Liechtenstein<br>於列支敦士登提供投資諮詢、擔任基<br>金單位之技術管理員、擔任基金管<br>理公司及擔任另類投資基金經理 |

## 52. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES (Continued)

## 52. 主要附屬公司資料 (續)

| Name<br>名稱  | Place of incorporation/<br>registration<br>註冊成立/註冊地點 | Particulars of issued/<br>paid-up capital<br>已發行/繳足股本詳情 | Effective percentage of equity<br>interest held by the Company<br>本公司所持股權之實際百分比 |               | Principal activities and principal<br>place of business<br>主要業務及主要營業地點   |
|---|--|---|---|---------------|--|
|   |  |   | 2020<br>二零二零年   | 2019<br>二零一九年 |  |
| <i>Indirectly held: (Continued)</i><br>間接持有：(續)                   |  |   |   |               |  |
| VFM Mutual Fund AG  | Liechtenstein<br>列支敦士登                               | CHF 500,000<br>50,000瑞士法郎                               | <b>85.44%</b>   | 85.22%        | Managing a particular fund as<br>general partner, Liechtenstein<br>於列支敦士登作為一般合夥人管理一<br>項特別基金                                       |
| LFM ALPHA SOLUTIONS AGmvk   | Liechtenstein<br>列支敦士登                               | CHF50,000<br>50,000瑞士法郎                                 | <b>85.44%</b>   | 85.22%        | Provision of asset investment and<br>management services for qualified<br>investors, Liechtenstein<br>於列支敦士登向合資格投資者提供資<br>產投資及管理服務 |
| Metasequoia Capital<br>水杉資產                                       | Hong Kong<br>香港                                      | HK\$800,000<br>800,000港元                                | <b>60%</b>  | 60%           | Provision of asset management<br>services, Hong Kong<br>於香港提供資產管理服務  |
| Shun Heng<br>信亨   | Hong Kong<br>香港                                      | HK\$26,380,000<br>26,380,000港元                          | <b>60%</b>  | 60%           | Dealing and advising in securities,<br>Hong Kong<br>於香港進行證券交易及顧問服務   |
| Metasequoia Investment Fund SPC – Global<br>Opportunities Fund SP | Cayman Islands<br>開曼群島                               | US\$10,000,000<br>10,000,000美元                          | –   | 44.83%        | Investment fund, Cayman Islands<br>於開曼群島之投資基金  |
| Ernest Borel Holdings Limited<br>依波路控股有限公司                        | Cayman Island<br>開曼群島                                | HK\$3,474,000<br>3,474,000港元                            | <b>64.08%</b>   | 64.08%        | Investment holding, Hong Kong<br>於香港投資控股   |

## 52. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES (Continued)

## 52. 主要附屬公司資料 (續)

| Name<br>名稱   | Place of incorporation/<br>registration<br>註冊成立/註冊地點 | Particulars of issued/<br>paid-up capital<br>已發行/繳足股本詳情 | Effective percentage of equity<br>interest held by the Company<br>本公司所持股權之實際百分比 |               | Principal activities and principal<br>place of business<br>主要業務及主要營業地點            |
|--|--|---|---|---------------|---|
|  |  |   | 2020<br>二零二零年   | 2019<br>二零一九年 |   |
| <i>Indirectly held: (Continued)</i><br>間接持有：(續)            |  |   |   |               |   |
| Boillat Les Bois S.A.                                      | Switzerland<br>瑞士                                    | CHF100,000<br>100,000 瑞士法郎                              | 64.08%  | 64.08%        | Development, manufacturing and marketing of watches, Switzerland<br>於瑞士開發、製造及推廣鐘錶 |
| Ernest Borel S.A.  | Switzerland<br>瑞士                                    | CHF100,000<br>100,000 瑞士法郎                              | 64.08%  | 64.08%        | Manufacturing and trading of watches, Switzerland<br>於瑞士製造及買賣鐘錶                   |
| Ernest Borel (Far East) Company Limited<br>依波路(遠東)有限公司     | Hong Kong<br>香港                                      | HK\$20,000<br>20,000 港元                                 | 64.08%  | 64.08%        | Assembling and sales of watches, Hong Kong<br>於香港組裝及銷售鐘錶                          |
| Ernest Borel (Guangzhou) Trading Co., Ltd<br>依波路(廣州)貿易有限公司 | PRC<br>中國  | RMB20,000,000<br>人民幣20,000,000元                         | 64.08%  | 64.08%        | Distribution and sales of watches, PRC<br>於中國分銷及銷售鐘錶                              |
| Ernest Borel (Hong Kong) Limited<br>依波路(香港)有限公司            | Hong Kong<br>香港                                      | HK\$1,000<br>1,000 港元                                   | 64.08%  | 64.08%        | Investment holding, Hong Kong<br>於香港投資控股  |
| Ernest Borel Watch Company Limited                         | BVI<br>英屬處女群島  | US\$100<br>100 美元                                       | 64.08%  | 64.08%        | Investment holding, Hong Kong<br>於香港投資控股  |
| Swissmount Holdings Limited                                | BVI<br>英屬處女群島  | US\$100<br>100 美元                                       | 64.08%  | 64.08%        | Investment holding, Hong Kong<br>於香港投資控股  |

## 52. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES (Continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

Notes:

- (a) These subsidiaries are registered as wholly foreign owned enterprises under the law of PRC.
- (b) These subsidiaries are registered as limited liability companies under the law of PRC.
- (c) This subsidiary is registered as foreign joint venture under the law of PRC.
- (d) These subsidiaries are registered as sino-foreign joint ventures under the law of PRC.

## 52. 主要附屬公司資料(續)

上表載列董事認為主要影響本集團本年度之業績或構成本集團資產淨值重大部分之本公司附屬公司。董事認為，詳列其他附屬公司之資料將會令有關資料過於冗長。

概無附屬公司於年末發行任何債務證券。

附註：

- (a) 該等附屬公司根據中國法律登記為外商獨資企業。
- (b) 該等附屬公司根據中國法律登記為有限公司。
- (c) 該附屬公司根據中國法律登記為外商合資企業。
- (d) 該等附屬公司根據中國法律登記為中外合資企業。

## 52. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES (Continued)

Set out below are the summarised financial information for the subsidiaries that had non-controlling interests which is material to the Group, before any elimination.

## 52. 主要附屬公司資料(續)

下文載列於任何對銷前擁有對本集團而言屬重大之非控股權益之各附屬公司財務資料概要。

|   |                         | Ernest Borel Group<br>依波路集團      |                                  | Bendura Bank AG<br>富地銀行股份有限公司    |                                  | Zhuhai Rossini Watch<br>Industry Limited<br>珠海羅西尼錶業有限公司 |                                  |
|---|-------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|---|----------------------------------|
|   |                         | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 | 2020<br>二零二零年<br>HK\$'000<br>千港元 | 2019<br>二零一九年<br>HK\$'000<br>千港元 | 2020<br>二零二零年<br>HK\$'000<br>千港元                        | 2019<br>二零一九年<br>HK\$'000<br>千港元 |
| <b>Summarised statement of financial position</b>           | <b>財務狀況表概要</b>          |                                  |                                  |                                  |                                  |   |                                  |
| <b>As at 31 December</b>                                    | <b>於十二月三十一日</b>         |                                  |                                  |                                  |                                  |   |                                  |
| <b>Effective non-controlling interests percentage</b>       | <b>實際非控股權益百分比</b>       | <b>35.92%</b>                    | 35.92%                           | <b>14.56%</b>                    | 14.78%                           | <b>9%</b>   | 9%                               |
| Assets  | 資產                      | 468,149                          | 474,848                          | 15,051,728                       | 13,099,804                       | 1,333,248   | 1,494,686                        |
| Liabilities   | 負債                      | (317,462)                        | (274,408)                        | (14,146,343)                     | (12,185,082)                     | (352,681)   | (345,176)                        |
| <b>Net assets</b>   | <b>資產總淨值</b>            | <b>150,687</b>                   | 200,440                          | <b>905,385</b>                   | 914,722                          | <b>980,567</b>  | 1,149,510                        |
| <b>Accumulated non-controlling interests</b>                | <b>累計非控股權益</b>          | <b>71,416</b>                    | 70,017                           | <b>117,692</b>                   | 142,934                          | <b>75,266</b>   | 92,415                           |
| <b>Summarised statement of comprehensive income</b>         | <b>全面收入表概要</b>          |                                  |                                  |                                  |                                  |   |                                  |
| <b>For the year ended 31 December</b>                       | <b>截至十二月三十一日止年度</b>     |                                  |                                  |                                  |                                  |   |                                  |
| Revenue   | 收益                      | 122,596                          | 141,518                          | 347,534                          | 453,253                          | 582,452   | 937,152                          |
| (Loss)/profit before income tax                             | 除所得稅前(虧損)/溢利            | (13,799)                         | (74,895)                         | 822                              | 171,603                          | 75,781  | 210,218                          |
| Other comprehensive income                                  | 其他全面收入                  | 11,140                           | 2,277                            | 78,210                           | (309)                            | -   | -                                |
| <b>Total comprehensive income</b>                           | <b>全面收入總額</b>           | <b>3,893</b>                     | (72,618)                         | <b>75,094</b>                    | 146,827                          | <b>62,174</b>   | 177,765                          |
| <b>(Loss)/profit allocated to non-controlling interests</b> | <b>分配至非控股權益之(虧損)/溢利</b> | <b>1,398</b>                     | (26,084)                         | <b>10,936</b>                    | 22,277                           | <b>5,596</b>  | 15,999                           |
| <b>Dividends paid to non-controlling interests</b>          | <b>向非控股權益支付之股息</b>      | <b>-</b>                         | -                                | <b>11,677</b>                    | 13,981                           | <b>27,085</b>   | 15,470                           |
| <b>Summarised statement of cash flows</b>                   | <b>現金流量表概要</b>          |                                  |                                  |                                  |                                  |   |                                  |
| <b>For the year ended 31 December</b>                       | <b>截至十二月三十一日止年度</b>     |                                  |                                  |                                  |                                  |   |                                  |
| Cash flows (used in)/generated from operating activities    | 經營業務(所用)/產生之現金流量        | (22,040)                         | 11,999                           | 1,013,062                        | (2,646,025)                      | 186,537   | 205,028                          |
| Cash flows(used in)/generated from investing activities     | 投資活動(所用)/產生之現金流量        | (5,721)                          | 8,891                            | (149,982)                        | (316,063)                        | (87,066)  | (56,946)                         |
| Cash flows generated from/(used in) financing activities    | 融資活動產生/(所用)之現金流量        | 25,838                           | (32,908)                         | (84,433)                         | (94,444)                         | (232,307)   | (115,152)                        |
| <b>Net cash inflow/(outflow)</b>                            | <b>現金流入/(流出)淨額</b>      | <b>(1,923)</b>                   | (12,018)                         | <b>778,647</b>                   | (3,056,532)                      | <b>(132,836)</b>  | 32,930                           |

### 53. EVENT AFTER THE REPORTING PERIOD

On 16 December 2020, the Company entered into the sale and purchase agreement, pursuant to which the Company has conditionally agreed to sell, and the purchaser has conditionally agreed to acquire, the sale shares and the sale loans of the following Companies (the “Transaction”):

- International Volant Limited;
- EB Brand Limited;
- Jia Cheng Investment Limited;
- Joyful Surplus International Limited;
- Sharptech International Limited;
- Unique Leader Limited; and
- Sure Best Management Limited.

Details of the Transaction are set out in the Company’s announcement dated 16 December 2020 and 25 March 2021 and circular dated 25 February 2021. The Transaction was not yet completed up to the date of issue of this report.

Except for abovementioned, there were no material events occurred after the financial report date.

### 53. 報告期後事項

於二零二零年十二月十六日，本公司訂立買賣協議，據此，本公司已有條件同意出售，而買方則有條件同意收購以下公司之待售股份及待售貸款（「交易」）：

- 國際飛迅有限公司；
- 依波系列品牌有限公司；
- 佳城投資有限公司；
- 開心國際有限公司；
- 盛科國際有限公司；
- 領豐行有限公司；及
- 港益管理有限公司。

交易詳情載於本公司日期為二零二零年十二月十六日及二零二一年三月二十五日之公告以及日期為二零二一年二月二十五日之通函。直至本報告刊發日期，交易尚未完成。

除上文所述者外，於財務報告日期後未並無發生重大事項。



## FIVE YEAR FINANCIAL SUMMARY

### 五年財務資料摘要

A summary of the published results and financial position of the Group for the year ended 31 December 2020 and the last four years is set out below. This summary does not form part of the audited financial statements.

本集團截至二零二零年十二月三十一日止年度及過去四年之已刊發業績及財務狀況概要載列如下。此概要並不組成經審核財務報表之一部分。

### FINANCIAL PERFORMANCE

### 財務表現

|  |                     | Year ended 31 December<br>截至十二月三十一日止年度 |                                  |                                  |                                  |                                  |
|--|---------------------|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|  |                     | 2020<br>二零二零年<br>HK\$'000<br>千港元       | 2019<br>二零一九年<br>HK\$'000<br>千港元 | 2018<br>二零一八年<br>HK\$'000<br>千港元 | 2017<br>二零一七年<br>HK\$'000<br>千港元 | 2016<br>二零一六年<br>HK\$'000<br>千港元 |
| Net interest income from banking business                    | 銀行業務之利息收入淨額         | 128,028                                | 183,462                          | 180,831                          | 94,992                           | 17,983                           |
| Net service fees and commission income from banking business | 銀行業務之服務費及佣金淨額       | 196,994                                | 212,561                          | 236,361                          | 212,616                          | 72,595                           |
| Trading income from banking business                         | 銀行業務之交易收入           | 21,702                                 | 57,230                           | 63,172                           | 65,227                           | 18,902                           |
| Service fees and commission income from financial business   | 金融業務之服務費及佣金收入       | 10,721                                 | 3,195                            | 3,342                            | 9,307                            | –                                |
| Interest income from financial business                      | 金融業務之利息收入           | 184                                    | 165                              | 193                              | 128                              | –                                |
| Sales of goods from non-banking and financial businesses     | 非銀行及金融業務之貨品銷售收入     | 1,405,812                              | 2,249,737                        | 2,444,364                        | 2,583,495                        | 2,811,352                        |
| Rental income from non-banking and financial businesses      | 非銀行及金融業務之租金收入       | 11,108                                 | 9,915                            | 9,586                            | 16,936                           | 19,123                           |
| Total revenue  | 總收入                 | 1,774,549                              | 2,716,265                        | 2,937,849                        | 2,982,701                        | 2,939,955                        |
| Cost of sales from non-banking and financial businesses      | 非銀行及金融業務之銷售成本       | (647,405)                              | (1,004,030)                      | (1,022,568)                      | (1,226,494)                      | (1,296,518)                      |
| Other income and other net gains or losses                   | 其他收入及其他收益或虧損淨額      | 98,333                                 | 104,393                          | 79,486                           | 1,300,392                        | 63,165                           |
| Selling and distribution expenses                            | 銷售及分銷費用             | (550,428)                              | (817,889)                        | (849,551)                        | (800,923)                        | (841,444)                        |
| Administrative expenses                                      | 行政費用                | (728,432)                              | (777,114)                        | (737,985)                        | (774,011)                        | (648,477)                        |
| Share of loss of joint ventures                              | 應佔合營企業虧損            | (494)                                  | (1,343)                          | (2,678)                          | (1,159)                          | –                                |
| Share of profit of associates                                | 應佔聯營公司溢利            | 3,180                                  | 17,675                           | 8,387                            | 20,711                           | 23,134                           |
| Finance costs from non-banking business                      | 非銀行業務之財務費用          | (82,956)                               | (95,320)                         | (65,828)                         | (68,453)                         | (79,447)                         |
| <b>(Loss)/profit before income tax</b>                       | <b>除所得稅前(虧損)/溢利</b> | <b>(133,653)</b>                       | <b>142,637</b>                   | <b>347,112</b>                   | <b>1,432,764</b>                 | <b>160,368</b>                   |
| Income tax expense   | 所得稅開支               | (25,176)                               | (71,456)                         | (105,664)                        | (221,566)                        | (96,528)                         |
| <b>(Loss)/profit for the year</b>                            | <b>本年度(虧損)/溢利</b>   | <b>(158,829)</b>                       | <b>71,181</b>                    | <b>241,448</b>                   | <b>1,211,198</b>                 | <b>63,840</b>                    |

## FINANCIAL PERFORMANCE (Continued)

## 財務表現(續)

|  |                          | Year ended 31 December<br>截至十二月三十一日止年度 |                  |                  |                  |                  |
|--|--------------------------|--|------------------|------------------|------------------|------------------|
|  |                          | 2020                                   | 2019             | 2018             | 2017             | 2016             |
|  |                          | 二零二零年                                  | 二零一九年            | 二零一八年            | 二零一七年            | 二零一六年            |
|  |                          | 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              |
| <b>Other comprehensive income</b>  | <b>其他全面收入</b>            |  |                  |                  |                  |                  |
| Item that will not be subsequently reclassified to profit or loss                                  | 不會於日後重新分類至溢利或虧損之項目       |  |                  |                  |                  |                  |
| - Remeasurement of net defined benefit obligations   | - 重新計量定額福利責任淨額           | 3,646                                  | 2,490            | 33,025           | 15,186           | 14,368           |
| - Change in fair value of financial assets at fair value through other comprehensive income        | - 按公平值計入其他全面收入之金融資產公平值變動 | 47,933                                 | (204,233)        | (123,352)        | -                | -                |
| - Revaluation gain upon transfer of owner occupied land and buildings to investment properties     | - 將自用土地及樓宇轉撥至投資物業時之重估收益  | -                                      | -                | 57,128           | -                | -                |
| - Deferred tax arising from transfer of owner occupied land and buildings to investment properties | - 將自用土地及樓宇轉撥至投資物業產生之遞延稅項 | -                                      | -                | (22,212)         | -                | -                |
| Items that may be subsequently reclassified to profit or loss                                      | 可能於日後重新分類至溢利或虧損之項目       |  |                  |                  |                  |                  |
| - Exchange differences on translation to presentation currency                                     | - 換算呈列貨幣之匯兌差額            | 279,862                                | (91,282)         | (162,086)        | 233,906          | (226,038)        |
| - Release of exchange reserve to profit or loss upon disposal of subsidiaries                      | - 於出售附屬公司後解除外匯儲備至溢利或虧損   | (405)                                  | -                | -                | (2,809)          | 4,701            |
| - Share of exchange differences on translation of associates                                       | - 應佔聯營公司匯兌差異             | (490)                                  | (108)            | (117)            | 96               | (112)            |
| - Changes in fair value of available-for-sale financial assets                                     | - 可供出售金融資產公平值變動          | -                                      | -                | -                | (5,041)          | (75,210)         |
|  |                          | <b>278,967</b>                         | <b>(91,390)</b>  | <b>(162,203)</b> | <b>226,152</b>   | <b>(296,659)</b> |
| <b>Other comprehensive income for the year</b>   | <b>本年度其他全面收入</b>         | <b>330,546</b>                         | <b>(293,133)</b> | <b>(217,614)</b> | <b>241,338</b>   | <b>(282,291)</b> |
| <b>Total comprehensive income for the year</b>   | <b>本年度全面收入總額</b>         | <b>171,717</b>                         | <b>(221,952)</b> | <b>23,834</b>    | <b>1,452,536</b> | <b>(218,451)</b> |

## FINANCIAL PERFORMANCE (Continued)

## 財務表現(續)

|   |                   | Year ended 31 December<br>截至十二月三十一日止年度 |           |          |           |           |
|---|-------------------|--|-----------|----------|-----------|-----------|
|   |                   | 2020                                   | 2019      | 2018     | 2017      | 2016      |
|   |                   | 二零二零年                                  | 二零一九年     | 二零一八年    | 二零一七年     | 二零一六年     |
|   |                   | 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       |
| <b>(Loss)/profit for the year attributable to:</b>              | 以下人士應佔本年度(虧損)/溢利: |  |           |          |           |           |
| Owners of the Company   | 本公司擁有人            | (169,233)                              | 44,246    | 201,372  | 1,170,484 | 36,703    |
| Non-controlling interests                                       | 非控股權益             | 10,404                                 | 26,935    | 40,076   | 40,714    | 27,137    |
|   |                   | (158,829)                              | 71,181    | 241,448  | 1,211,198 | 63,840    |
| <b>Total comprehensive income for the year attributable to:</b> | 以下人士應佔本年度全面收入總額:  |  |           |          |           |           |
| Owners of the Company   | 本公司擁有人            | 164,456                                | (243,713) | (9,083)  | 1,395,850 | (227,203) |
| Non-controlling interests                                       | 非控股權益             | 7,261                                  | 21,761    | 32,917   | 56,686    | 8,752     |
|   |                   | 171,717                                | (221,952) | 23,834   | 1,452,536 | (218,451) |

## ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

## 資產、負債及非控股權益

|                           |       | Year ended 31 December<br>截至十二月三十一日止年度 |              |              |              |              |
|---------------------------|-------|--|--------------|--------------|--------------|--------------|
|                           |       | 2020                                   | 2019         | 2018         | 2017         | 2016         |
|                           |       | 二零二零年                                  | 二零一九年        | 二零一八年        | 二零一七年        | 二零一六年        |
|                           |       | 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          |
| Total assets              | 總資產   | 21,385,195                             | 19,597,081   | 20,258,229   | 21,855,671   | 17,255,820   |
| Total liabilities         | 總負債   | (16,648,968)                           | (14,936,192) | (15,448,738) | (16,707,545) | (13,403,130) |
| Non-controlling interests | 非控股權益 | (317,548)                              | (405,817)    | (369,700)    | (343,245)    | (219,809)    |
|                           |       | 4,418,679                              | 4,255,072    | 4,439,791    | 4,804,881    | 3,632,881    |

## SCHEDULE OF PRINCIPAL INVESTMENT PROPERTIES

### 主要投資物業附表

| Description  | 詳情  | Group interest<br>集團權益 | Use<br>用途                       | Tenure<br>年期              |
|--|---|------------------------|---------------------------------|---------------------------|
| Flat B, 21st Floor, Jolly Villa<br>No. 8 Tai Hang Road<br>Hong Kong and Car parking space<br>No. 32 on 3rd Floor of<br>the same building   | 香港大坑道8號<br>竹麗苑21樓B室及<br>同一幢樓宇內<br>3樓之32號車位                      | 100%                   | Residential<br>住宅               | Medium term lease<br>中期租約 |
| Industrial Complex<br>including Dormitories in the<br>Sixth Industrial Zone<br>Houjie Town<br>Dongguan County<br>Guangdong Province<br>The People's Republic of China<br>(the "PRC") | 中華人民共和國<br>(「中國」)<br>廣東省東莞市<br>厚街鎮<br>第六工業區工廠<br>綜合大樓<br>(包括宿舍) | 100%                   | Industrial/Residential<br>工業/住宅 | Medium term lease<br>中期租約 |
| 2nd Lower Ground Level<br>Jin Hua Building<br>Yan He South Road<br>Luohu District<br>Shenzhen<br>Guangdong Province<br>The PRC   | 中國<br>廣東省深圳市<br>羅湖區<br>沿河南路<br>錦花大廈<br>底下層二層                    | 100%                   | Commercial<br>商業                | Medium term lease<br>中期租約 |
| Shops at Street Nos. 13, 14 and 15<br>New City Centre Plaza Garden<br>Nos. 459, 461 and 463<br>Xiang Hua Road<br>Zhuhai City<br>Guangdong Province<br>The PRC                        | 中國<br>廣東省珠海市<br>香華路<br>459、461及463號<br>新城市中心花園<br>商舖13、14及15號   | 100%                   | Commercial<br>商業                | Medium term lease<br>中期租約 |
| Office B, 7th Floor<br>No. 78, Nanguan Road<br>Shenhe District, Shenyang City<br>The PRC   | 中國<br>瀋陽市沈河區<br>南關路78號<br>7樓B座辦公室                               | 100%                   | Commercial<br>商業                | Short term lease<br>短期租約  |
| No. 1004, Block B<br>Xinnengyuan Building<br>Nanhai Avenue, Nanshan District<br>Shenzhen, Guangdong Province<br>The PRC  | 中國<br>廣東省深圳市<br>南山區南海大道<br>新能源大廈B座1004號                         | 100%                   | Commercial<br>商業                | Long term lease<br>長期租約   |
| Nos. 203, 204, 205,<br>206, 208,<br>Building 16, Dengliang Garden<br>Dengliang Road, Nanshan District<br>Shenzhen, Guangdong Province<br>The PRC                                     | 中國<br>廣東省深圳市<br>南山區登良路<br>登良花園16棟<br>203、204、205、<br>206、208號   | 100%                   | Residential<br>住宅               | Medium term lease<br>中期租約 |

| Description   | 詳情   | Group interest<br>集團權益 | Use<br>用途         | Tenure<br>年期              |
|---|--|------------------------|-------------------|---------------------------|
| Nos. 228, 229, 230, 231,<br>232, 233, 234, 235,<br>236, 237,<br>Building A, Lifang Village<br>Nanshan Avenue, Nanshan District<br>Shenzhen, Guangdong Province<br>The PRC | 中國<br>廣東省深圳市<br>南山區南山大道<br>荔芳村A棟<br>228、229、230、231、<br>232、233、234、235、<br>236、237號 | 100%                   | Residential<br>住宅 | Medium term lease<br>中期租約 |



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