



Great Wall Terroir
長城天下

Great Wall Terroir Holdings Limited 長城天下控股有限公司

(Formerly known as Great Wall Belt & Road Holdings Limited 長城一帶一路控股有限公司)
(Incorporated in Bermuda with limited liability)
(Stock Code: 524)

Annual Report 2021



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CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Cheung Siu Fai (*Chairman and Acting Chief Executive Officer*)
(*appointed as the Chairman and Acting Chief Executive Officer with effect from 2 March 2021*)

Hui Chun Wai Henry
(*appointed with effect from 2 March 2021*)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Fong Wai Ho
Chow Hiu Tung
(*appointed with effect from 12 March 2021*)
Cheung Sze Ming
(*appointed with effect from 12 March 2021*)

COMPANY SECRETARY

Leung Yung Yan
(*appointed with effect from 30 April 2021*)

AUDITOR

Confucius International CPA Limited
Certified Public Accountants

LEGAL ADVISERS

Conyers Dill & Pearman (as to Bermuda laws)
Loeb & Loeb LLP (as to Hong Kong laws)

PRINCIPAL BANKERS

The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1005, 10/F.
Tower Two, Lippo Centre
No. 89 Queensway
Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong Limited: 524

WEBSITE

www.gwt.hk

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
4th Floor North Cedar House
41 Cedar Avenue
Hamilton HM12
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

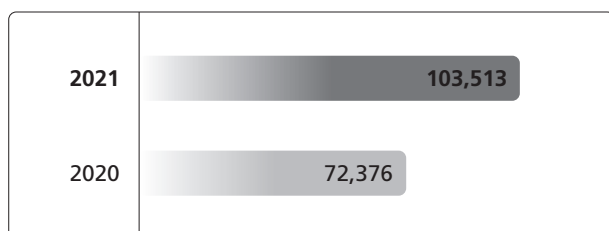
Tricor Secretaries Limited
Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

FINANCIAL HIGHLIGHTS

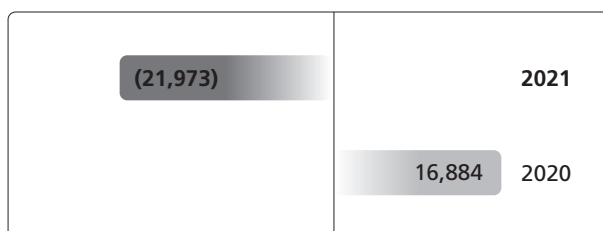


	2021 HK\$'000	2020 HK\$'000
Revenue	103,513	72,376
(Loss) profit for the year	(21,973)	16,884
Net assets	66,548	21,497
Bank balances and cash	30,663	33,238

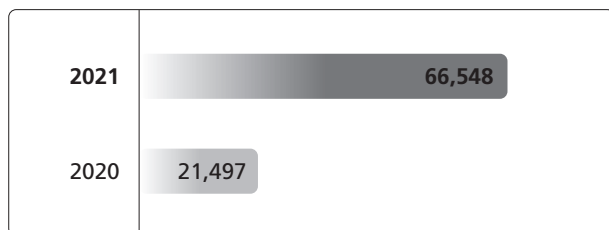
Revenue (HK\$'000)



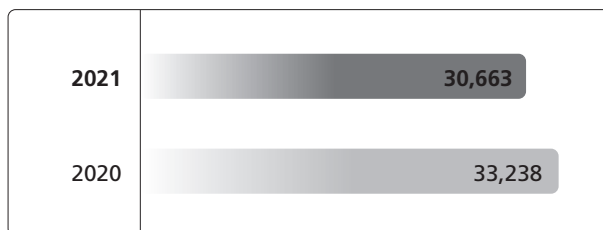
(Loss) Profit for the Year (HK\$'000)



Net Assets (HK\$'000)



Bank Balances and Cash (HK\$'000)



Great Wall Terroir Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) currently has a portfolio of business interests in the telecommunication and related services, information technology, financial solution and software development services, distribution business and property investment business in Singapore and Hong Kong and is actively pursuing other opportunities that are complementary to its existing operations or have high growth potential, with ability to generate healthy cashflows and capabilities to maximise the Group’s long-term value. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (stock code: 524).



CHAIRMAN'S STATEMENT

On behalf of the board (the “**Board**”) of directors (the “**Director(s)**”) of the Company, I am pleased to present the annual results of the Group in this annual report for the year ended 31 December 2021 (the “**Year**”).

During the Year under review, the ongoing Coronavirus Disease 2019 (“**COVID-19**”) pandemic continued to bring disruptive impact to people’s livelihood and the global economy. Amid the COVID-19 pandemic, some countries have dealt with significant outbreaks and many have operated under various restrictions at different points. However, with the roll out of COVID-19 vaccines around the world and the increasing number of companies adapting their business operations to the pandemic, the global economy has been gradually recovering since the second half of the Year. The pandemic affected the negotiation of new business contracts with potential customers and delayed the progress of business development of the Group. Nevertheless, the Group continued to use its best endeavors to secure business contracts and services rendered, to maintain stable operation and to mitigate the impact of the pandemic while ensuring the wellbeing of its staff members. At the same time, the Group has continued to broaden the range of telecom and IT service offerings in order to further strengthen our competitive edge. While there continues to be uncertainties with regard to the Omicron variant and potentially other variants in the future, the Group’s strategy remains to pursue sustainability and long-term profitability of its telecommunication and related businesses through enhancing quality of services, developing long-term partnerships with major suppliers and improving operational efficiencies and profitability. With our established local presence in both Singapore and Hong Kong, the Group is determined to support customer needs during the period of prolonged COVID-19 pandemic and the post-pandemic period.

The Group has continued to rationalise its business and streamline its existing business portfolios. During the Year, the Group has completed the disposal of its non-performing tourism business. The COVID-19 pandemic has changed the way many companies operate their businesses, they are taking steps towards hybrid working environments, where teams can work both remotely from home and in the office, leading to the increase in both number of people staying at home and amount of time people spent online, and at the same time the social restrictions associated with the pandemic caused online shopping, even for food, drinks and daily groceries, to become much more popular across the population. Online shopping and e-Commerce play a more important role in distribution and retailing. The Group continues to seek business development opportunities both within the regions in which it is currently operating and beyond, in technology, media and telecom (TMT) sector (such as in information and other emerging technologies, online shopping platform and e-Commerce) to expand its service offerings. Leveraging on its technology know-how, the Group will endeavour to capitalise on promising opportunities arising from the rapid growth of TMT sector.

To supplement its profit through other investments, including income generating from investment properties, the Company, during the Year, has acquired a property through the purchase of the entire issued share capital of a property holding company. The property is expected to generate stable rental income and the Company may also benefit from any long-term capital appreciation of the property. The Group will also continue to look for new business opportunities and investments to diversify its business in order to generate better returns for shareholders of the Company and maintain sustainable growth. The investments may be in equity format in the e-Commerce and TMT sector which can create synergies with existing business of the Group, and/or leverage on the existing strength of the capabilities, technological knowledge and business networks.

With more countries striving with varying degree of success to reopen their borders and normalise their economic activities, we look forward to a continuing recovery of the global economy and the lift of several social distancing measures in the coming year, despite significant challenges ahead, foremost among which is the uncertainty caused by the spread of the Omicron variant, and potentially other variants in the future. Expectation of returning to normal human life largely depends on the severity of the development of new coronavirus variants.

On behalf of the Board, I would like to express our appreciation to all the fellow directors, employees and business partners for their great support, hard work, dedication and commitment to the Group.

Cheung Siu Fai
Chairman of the Board

24 March 2022

BUSINESS REVIEW



OVERALL REVIEW

During the Year, the economic environment of Singapore and Hong Kong, where the business operations of the Group are principally located in, slightly recovered from the COVID-19 pandemic as a result of increasing vaccination coverage, reducing severity of the new coronavirus variants and gradual resumption of business activities. The recovery was reflected by the reduction in unemployment rate from the peak of 3.2% in January 2021 to 2.4% in December 2021 in Singapore according to the Ministry of Manpower of Singapore and from the peak of 7.2% in February 2021 to 3.9% in December 2021 in Hong Kong according to the Census and Statistics Department of the Hong Kong Special Administrative Region, respectively. The Group's revenue increased by approximately 43.0% to approximately HK\$103.5 million for the Year, from approximately HK\$72.4 million for the year ended 31 December 2020 ("**Last Year**"). The increase was mainly contributed by the Telecom Business (as defined below).

Earnings of the Group during the Year and Last Year were, respectively, impacted by certain exceptional items, including:

- during Last Year, the Group recorded an one-off other income of approximately HK\$37.2 million for the loss claim against the vendor of Diamond Frontier Investments Limited (a wholly-owned subsidiary of the Company);
- during the Year, the Group recorded an other income of approximately HK\$12.4 million in respect of the reversal of an amount due to a former Director, Mr. Yeung Chun Wai Anthony ("**Mr. Yeung**"), which amount represented the remaining balance of consideration payable for the purchase of 8,500,000 ordinary shares of SingAsia Holdings Limited (the "**SingAsia Shares**"), shares of which are listed on the Stock Exchange (stock code: 8293);
- during the Year, the Group recorded a loss of approximately HK\$6.0 million (including exchange losses) on disposal of the entire issued share capital of B&R Investment Holding Limited ("**B&R Investment**") (a former wholly-owned subsidiary of the Company) (the "**Disposal of B&R Investment**"), which was disclosed in the Company's announcements dated 20 November 2020 and 19 March 2021 and shareholders circular dated 24 February 2021 respectively, and the Disposal of B&R Investment was completed during the Year; and
- during the Year, the Group recorded an increase in legal and professional costs and expenses incurred mainly in connection with various corporate actions and transactions carried out by the Group, including the mandatory unconditional cash offer in January 2021, the purchase of the entire issued share capital of Palico Development Limited and the sale loan (the "**Palico Acquisition**") that was the subject of the Company's announcements dated 3 March 2021 and 3 September 2021 and shareholders circular dated 25 May 2021 respectively, the Disposal of B&R Investment and enforcement actions taken to recover fund advances and overdue account receivables recorded by Hangzhou Susong Technology Company Limited* (杭州蘇頌科技有限公司) ("**Hangzhou Susong**"), an indirect non-wholly-owned subsidiary of the Company.

* for identification purposes only

During the Year, the Company recorded a loss attributable to owners of the Company of approximately HK\$22.0 million as compared to profit of approximately HK\$16.9 million for Last Year.

TELECOM BUSINESS

Revenue recorded by the telecom business, which comprised the voice telecommunication and related information technology businesses in Singapore and Hong Kong (the "**Telecom Business**"), was approximately HK\$102.1 million for the Year, representing an increase of approximately 41.0% compared to approximately HK\$72.4 million for Last Year mainly attributable to the growth in revenue of the wholesale voice telecommunications services of the Telecom Business.

Following the successful migration from its legacy in-house wholesale voice switching facility in Singapore to a more robust third-party cloud-based switching platform, and by adopting a more competitive pricing strategy to establish its market presence, the Group managed to generate a significant growth in the wholesale voice revenue during the first half of the Year. For the second half of the Year, the Group gradually adjusted its strategy to adopt a more prudent pricing approach in order to secure wholesale voice traffic with better gross margin. While both of the retail data and voice segments of the Telecom Business remain challenging as a result of competition among industry players and against alternative communication platforms, the Group continued its pursuit in a variety of revenue generating opportunities, including participating in competitive tenders for larger projects, cross-selling of other value-added services to the existing customer base and exploring new overseas markets such as Indonesia.

IT AND DISTRIBUTION BUSINESS

The IT and Distribution Business in the PRC (as defined below) and the IT Business in Hong Kong (as defined below) are collectively referred to as the “**IT and Distribution Business**” in this annual report.

During Last Year, there was no revenue generated from the information technology and distribution business in the People’s Republic of China (the “**PRC**”) (the “**IT and Distribution Business in the PRC**”). This segment did not contribute any revenue for the Group during the Year. The performance of the IT and Distribution Business in the PRC has been falling short of the Group’s expectation as originally contemplated at the time of acquisition of such business in 2016, the Group does not see any substantial improvement in this segment in the near future. The Group would continue to rationalise the business and streamline its existing business portfolios by disposing of some of the non-performing businesses.

At the date of this annual report, Hangzhou Susong has not recovered its advances to Zhejiang Hong Lan Investment Company Limited* (浙江宏瀾投資有限公司) that was the subject of the announcement of the Company dated 28 April 2019 published on the websites of the Stock Exchange and the Company. The Group has sought legal advice from its PRC counsels in relation to the legal actions to be taken to recover such advances and will continue its assessment in this regard. During the Year, the Group took appropriate legal actions to seek the recovery of other overdue receivables recorded by Hangzhou Susong. Court hearings were held at the Zhejiang Province Hangzhou Intermediate People’s Court* (浙江省杭州市中級人民法院) and the Zhejiang Province Hangzhou Xihu District People’s Court* (浙江省杭州市西湖區人民法院) in the fourth quarter of the Year. As at the date of this annual report, the court decisions are still pending. This partially explains the increase in legal cost incurred during the Year. The Group would continue to seek legal advice and consider taking relevant actions to assess the situation for the best financial interests of the Group.

Under the aforesaid IT and Distribution Business in the PRC, the Group has made effort to diversify revenue source of the IT and Distribution Business by developing its information technology business in Hong Kong (the “**IT Business in Hong Kong**”). During the Year, the Group recorded revenue of approximately HK\$1.1 million from the IT Business in Hong Kong by providing one-stop information technology solutions and services, including but not limited to maintenance of point-of-sale system, installation of server and network equipment, security system and website maintenance, to its corporate clients. The Group will continue to expand the customer base of the IT Business in Hong Kong by building up its exposure and reputation through offering excellent service to customers.

* for identification purposes only

PROPERTY DEVELOPMENT AND TOURISM BUSINESS

During the Year, the Group continued its effort to rationalise the business and dispose of some of the non-performing business. As mentioned in the Company’s announcement dated 20 November 2020 and circular dated 24 February 2021, the Company entered into a sale and purchase agreement in relation to the Disposal of B&R Investment, which was completed on 19 March 2021. The Group may not continue its investment in tourism business following the Disposal of B&R Investment as no revenue has ever been generated from this segment.



INVESTMENT PROPERTIES

To supplement its profit through other investments, including income generating from investment properties, the Company, during the Year, entered into a provisional agreement for the Palico Acquisition for an aggregate consideration of HK\$51,750,000, subject to adjustments. Palico Development Limited is a company incorporated in Hong Kong with limited liability and principally engaged in property holding and property leasing business. Its principal asset is an industrial property with a gross area of approximately 5,430 square feet (the “**Property**”). The Palico Acquisition was completed on 3 September 2021 and Palico Development Limited has become a wholly-owned subsidiary of the Company since then.

The Property, located at Units Nos. 4 and 6 on 11th Floor of Block A, Sea View Estate, No. 2 Watson Road, Hong Kong, is held under a medium-term lease. The Property is held for investment purpose and has been leased on operating leases. The value of the Property amounted to approximately HK\$53.0 million based on the independent valuation of the Property as at 31 December 2021, representing approximately 55.5% of the total assets of the Group. During the Year, the Property generated rental income of approximately HK\$0.3 million. The Property is expected to generate stable income in the future and the Group may also benefit from any long-term capital appreciation of the Property.

PROSPECTS

The COVID-19 pandemic, which is yet to dissipate, continues to impact our social and business activities amid the emergence of the Omicron variant leading to a widespread outbreak in Singapore and Hong Kong. As the fifth wave of COVID-19 hits Hong Kong severely, the Group has put effort to use our resources in our fight against the impact brought by the pandemic and ensure a safe working environment for its staff members who may not be able to meet physically and work alongside collegially. While uncertainties arising from the COVID-19 variants have continued to pose challenges to our businesses due to the persistence of the pandemic, the Group’s strategy is to strive for sustainability and long-term profitability of its businesses through delivering high quality services, maintaining long-term partnerships with key suppliers and improving operational efficiencies.

The Group is expected in the coming year to continue to sustain its Telecom Business by capitalizing on its existing infrastructure and operating resources while regularly refining its business strategies to capture new opportunities for growth and also be adaptable to the constantly changing market dynamics. However, the COVID-19 restriction measures have affected the movement of salespeople and potential business partners, significantly increasing the difficulties for new business development. Due to the uncertain outlook of the global economy, there is a tendency for customers not to enter into new committed contracts. Many customers are cautious about investments when facing the threat of short-time work or even layoffs, which is the reason for the decline in demand for a large amount of contracts for a medium term. The Group will stay vigilant of the uncertainties caused by the COVID-19 pandemic and continue to rationalise its business processes with disciplined cost control and prudent risk management.

Notwithstanding the challenges in the midst of the COVID-19 pandemic, the IT Business in Hong Kong recorded revenue during the Year. It is believed that the market in Hong Kong is highly fragmented with hundreds of small and medium sized players, and reputation serves as an important factor that affects customers’ choice. In this regard, the Group’s focus is to capture market share in Hong Kong by providing higher quality services as compared to its competitors.

The Group continues its business endeavours within the regions of the Telecom Business and IT and Distribution Business to complement its existing businesses and beyond.

The Group will also continue to look for new business opportunities to diversify its business in order to generate better returns for the shareholders of the Company.



FINANCIAL REVIEW

REVENUE AND RESULTS

The revenue of the Group for the Year increased by approximately 43.0% to approximately HK\$103.5 million, from approximately HK\$72.4 million for Last Year. The revenue from the Telecom Business for the Year increased by approximately 41.0% to approximately HK\$102.1 million, from approximately HK\$72.4 million for Last Year, mainly attributable to the increased contribution from the wholesale voice telecommunications business. The IT and Distribution Business recorded revenue of approximately HK\$1.1 million for the Year, wholly from the IT Business in Hong Kong which is a new revenue contributor of this segment, and no revenue was generated during Last Year. The Property has started to generate rental income of approximately HK\$0.3 million from October 2021 following the completion of the Palico Acquisition in September 2021.

The gross profit of the Group for the Year decreased by approximately 17.2% to approximately HK\$4.8 million, from approximately HK\$5.8 million for Last Year. The overall gross profit margin of the Group for the Year decreased to approximately 4.7% from approximately 7.9% for Last Year. The decrease in gross profit and gross profit margin of the Telecom Business was mainly due to the shift in the mix of retail and wholesale revenue of the Telecom Business.

Other income, gains and losses of the Group for the Year decreased by approximately 65.2% to approximately HK\$14.5 million, from approximately HK\$41.7 million for Last Year. The decrease was mainly due to the absence of certain items, which were recorded during Last Year, including (i) other income of approximately HK\$37.2 million for the loss claim against the vendor of Diamond Frontier Investments Limited, a wholly-owned subsidiary of the Company; and (ii) other income of approximately HK\$2.8 million due to the forfeiture of deposit paid by the previous purchaser of B&R Investment upon termination of the relevant sale and purchase agreement in November 2020, and the decrease of approximately HK\$1.2 million in government subsidies granted in respect of the Employment Support Scheme under the Anti-epidemic Fund of the Government of the Hong Kong Special Administrative Region and the Jobs Support Scheme provided by the Government of Singapore. The decrease was partly compensated by (i) the recognition of other income of approximately HK\$12.4 million in respect of the reversal of an amount due to a former Director, Mr. Yeung, which represented the remaining balance of consideration payable for the purchase of the 8,500,000 SingAsia Shares; and (ii) an increase in fair value of approximately HK\$1.1 million of the Property from the date of its acquisition (i.e. 3 September 2021) to the end of the Year.

Selling and distribution expenses of the Group for the Year decreased by approximately 44.4% to approximately HK\$0.5 million from approximately HK\$0.9 million for Last Year. The decrease was mainly due to the decrease in sales commissions payable to internal staff and external service providers in light of less marketing activities impacted by the COVID-19.

Total operation and administrative expenses of the Group for the Year increased by approximately 23.8% to approximately HK\$31.2 million, from approximately HK\$25.2 million for Last Year. The increase was mainly due to the increase in legal and professional fees incurred from various corporate actions and transactions carried out by the Group during the Year and the increase in staff costs for managerial and administrative staff.

Loss on disposal of a subsidiary of the Group for the Year mainly represented the loss of approximately HK\$6.0 million (after including exchange losses) on the Disposal of B&R Investment, which was disclosed in the Company's announcements dated 20 November 2020 and 19 March 2021 and circular dated 24 February 2021 respectively and was completed during the Year. There was no gain/loss on disposal of any subsidiary during Last Year.

Finance costs of the Group for the Year increased by approximately 550% to approximately HK\$1.3 million, from approximately HK\$0.2 million for Last Year. The increase was mainly due to the drawdown of a new interest-bearing loan from a Director and other borrowings from a licensed money lending company which is an independent third party during the Year.

Loss attributable to the owners of the Company for the Year amounted to approximately HK\$22.0 million, compared to a profit of approximately HK\$16.9 million for Last Year. The decline was mainly due to the absence of other income of approximately HK\$37.2 million for the loss claim against the vendor of Diamond Frontier Investments Limited which was recorded during Last Year.



CAPITAL STRUCTURE, LIQUIDITY AND FINANCING

As at 31 December 2021, the net assets of the Group amounted to approximately HK\$66.5 million (2020: approximately HK\$21.5 million). The increase in net assets was mainly due to the aggregate net proceeds of approximately HK\$63.0 million received from the May Rights Issue (as defined below) and the November Rights Issue (as defined below), partly offset by the loss of approximately HK\$6.0 million (after including exchange losses) on the Disposal of B&R Investment.

Capital expenditures for the Year amounted to approximately HK\$24,000, compared to approximately HK\$0.2 million during Last Year.

The Group generally finances its operations with borrowings and internally generated resources. On 25 June 2021, the Company completed a rights issue at a price of HK\$0.15 per rights share on the basis of one (1) rights share for every four (4) shares held by the qualifying shareholders on the record date (i.e. 31 May 2021) (the “**May Rights Issue**”). Details of the May Rights Issue are set out in the Company’s announcements dated 11 May 2021 and 24 June 2021 and the Company’s prospectus dated 2 June 2021 respectively. The net proceeds from the May Rights Issue were approximately HK\$38.0 million after deducting professional fees and other expenses, approximately HK\$21.0 million of which have been earmarked for the repayment of loans and borrowings of the Group. On 6 December 2021, the Company completed another rights issue at a price of HK\$0.1 per rights share on the basis of one (1) rights share for every five (5) shares held by the qualifying shareholders on the record date (i.e. 10 November 2021) (the “**November Rights Issue**”). Details of the November Rights Issue are set out in the Company’s announcements dated 7 October 2021 and 3 December 2021 and the Company’s prospectus dated 12 November 2021 respectively. The net proceeds from the November Rights Issue were approximately HK\$25.0 million after deducting professional fees and other expenses, approximately HK\$10.8 million of which have been earmarked for the repayment of a loan from a Director and accrued interests thereon.

As at 31 December 2021, the bank balances and cash (excluding pledged bank deposits) of the Group amounted to approximately HK\$30.7 million (2020: approximately HK\$33.2 million). The slight decrease was mainly due to the net effect of (i) the actual consideration paid along with related professional fees and commission expenses of approximately HK\$52.3 million for the Palico Acquisition; (ii) the repayment of loans and interests accrued thereon, from a Director and the licensed money lending company, of approximately HK\$26.9 million, largely offset by (iii) the aggregate net proceeds of approximately HK\$63.0 million received from the May Rights Issue and the November Rights Issue; and (iv) the drawdown of a new interest-bearing loan from a Director and other borrowings from the licensed money lending company of approximately HK\$15.5 million.

As at 31 December 2021, the pledged bank deposits of the Group amounted to approximately HK\$0.7 million (2020: approximately HK\$0.8 million). Bank guarantees of approximately HK\$0.6 million (2020: approximately HK\$0.8 million) were issued to suppliers for operation requirements.

As at 31 December 2021, the loans from two former Directors amounted to approximately HK\$5.7 million (2020: approximately HK\$5.7 million). The loans from two former Directors are unsecured, unguaranteed, and interest-free.

As at 31 December 2021, the lease liabilities amounted to approximately HK\$0.8 million (2020: approximately HK\$1.6 million).

As at 31 December 2021, the Group’s gearing ratio, measured on the basis of total borrowings including loans from Directors and former Directors as a percentage of net assets was approximately 8.6% (2020: approximately 73.1%). The improved gearing ratio was mainly attributable to the increase in net assets of the Group as a result of the May Rights Issue and the November Rights Issue and repayment of loans from a Director and interests accrued thereon.

FOREIGN EXCHANGE EXPOSURE

The Group has certain assets, liabilities, and transactions which are denominated in Singapore dollars and Renminbi. The Group continues to closely monitor the exchange rates of each of Singapore dollar and Renminbi and will, whenever appropriate, take appropriate action to mitigate such exchange risks. As at 31 December 2021, no related currency hedges had been undertaken by the Group.

CAPITAL COMMITMENTS

As at 31 December 2021, the Group had no material capital commitments (2020: RMB70,000,000 equivalent to approximately HK\$82,600,000 in respect of its capital commitment for capital injection).

CONTINGENT LIABILITIES

As at 31 December 2021, the Group had no material contingent liabilities (2020: Nil).

ASSET CHARGES

The Group had no material asset charges during the year ended 31 December 2021 (2020: Nil).

DIRECTORS' BIOGRAPHICAL DETAILS



EXECUTIVE DIRECTORS

Mr. CHEUNG Siu Fai (“Mr. Cheung”), aged 51, was appointed as an executive director of the Company on 20 February 2020 and the chairman (the “**Chairman**”) and acting chief executive officer (the “**Acting Chief Executive Officer**”) of the Company on 2 March 2021. He holds a Master Degree in Business Administration from The Chinese University of Hong Kong and a Bachelor Degree in Electronic Engineering from The Hong Kong Polytechnic University. Mr. Cheung is a director of certain subsidiaries of the Group. Mr. Cheung founded Hammer Capital Group Limited and is a director of Hammer Capital Asset Management Limited. Prior to founding Hammer Capital Group Limited, he was the Head of Asia Pacific of the Strategic Equity Solutions of Merrill Lynch (Asia Pacific) Limited (“**Merrill Lynch**”). Prior to his position at Merrill Lynch, he was the Head of Asia Pacific of the Strategic Equity Solutions and the Managing Director of the Structured Products of Asia of Citigroup Global Markets Asia Limited. He has also held key positions in various major investment banks in Asia Pacific like Calyon Corporate & Investment Bank (presently known as Crédit Agricole Corporate & Investment Bank) and JPMorgan Chase & Co.. Mr. Cheung was an executive director of Asia Coal Limited until the shares of which were delisted from the Stock Exchange on 18 June 2019. Mr. Cheung was also an executive director of CT Environmental Group Limited (stock code: 1363) (“**CTEG**”) between 3 August 2020 and 10 November 2020 and was appointed as an executive director again and the chief executive officer of CTEG on 19 April 2021, and CTEG was delisted from the Main Board of the Stock Exchange with effect from 10 September 2021. Mr. Cheung resigned as an executive director from CTEG with effect from 19 January 2022. Mr. Cheung has also been an executive director of Shunten International (Holdings) Limited, a company listed on the Stock Exchange (stock code: 932) since 24 January 2022. Mr. Cheung is the sole director and shareholder of Beta Dynamic Limited, the holding company of the Company as at the date of this annual report.

Mr. HUI Chun Wai Henry (“Mr. Hui”), aged 45, was appointed as an executive director of the Company on 2 March 2021. He holds a Bachelor Degree in Business Administration (Financial Accounting) from The Hong Kong University of Science and Technology. Mr. Hui is a director of certain subsidiaries of the Group. Mr. Hui was an employee of Hammer Capital Asset Management Limited until his resignation on 30 June 2021. Prior to joining Hammer Capital Asset Management Limited, he was a Managing Director and the Regional Head of Structured Investments & Derivatives, Asia in BNP Paribas Wealth Management Hong Kong (“**BNP**”). Prior to his position at BNP, he was the Head of Equities Advisory & Sales Trading Hong Kong at Bank of Singapore Hong Kong Branch. He worked in UBS AG Wealth Management Hong Kong Branch and China Exchanges Services Company Limited before. He has also held positions in various major investment banks in Asia Pacific like Citigroup Global Markets Asia Limited and Calyon Corporate & Investment Bank (presently known as Crédit Agricole Corporate & Investment Bank).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. FONG Wai Ho ("Mr. Fong"), aged 41, was appointed as an independent non-executive director of the Company on 20 February 2020. Mr. Fong has over 17 years of experience in auditing and business advisory services. He is the founder and has been a practitioner of UBC & Co., Certified Public Accountants since March 2013. Mr. Fong was the practicing director of Andes Glacier CPA Limited from March 2017 to March 2020. Mr. Fong holds a bachelor's degree in business administration (honours) in accountancy and management information systems awarded by City University of Hong Kong. Mr. Fong is a practicing Certified Public Accountant in Hong Kong, a member of the Association of Chartered Certified Accountants as well as a fellow of the Hong Kong Institute of Certified Public Accountants. He is a member of the Chartered Professional Accountants of British Columbia and the Chartered Professional Accountants of Canada, respectively. He is currently an independent non-executive director of Global Sweeteners Holdings Limited (stock code: 3889) and Perennial Energy Holdings Limited (stock code: 2798) respectively, the shares of which are listed on the Main Board of the Stock Exchange. Mr. Fong was also an independent non-executive director of CTEG between 3 August 2020 and 15 September 2021. CTEG was delisted from the Main Board of the Stock Exchange on 10 September 2021.

Mr. CHOW Hiu Tung ("Mr. Chow"), aged 50, was appointed as an independent non-executive director of the Company on 12 March 2021. He has over 24 years of experience in accounting and internal control. Mr. Chow had been an independent non-executive director of State Energy Group International Assets Holdings Limited, a company listed on the Stock Exchange (stock code: 918) from October 2018 to December 2021, an independent non-executive director of Future Bright Mining Holdings Limited, a company listed on the Stock Exchange (stock code: 2212), from December 2014 to September 2018, and an independent non-executive director of National United Resources Holdings Limited (formerly known as China Outdoor Media Group Limited), a company listed on the Stock Exchange (stock code: 254), from October 2013 to March 2015. Mr. Chow obtained his bachelor's degree in business administration in finance from The Hong Kong University of Science and Technology in November 1995 and obtained his master's degree in international business in December 2001 from The University of Sydney, Australia. Mr. Chow has been a member of the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants) since January 1999. Mr. Chow has also been a member of the Association of Chartered Certified Accountants since April 2000 and was admitted as its fellow member in April 2005.

Mr. CHEUNG Sze Ming, aged 52, was appointed as an independent non-executive director of the Company on 12 March 2021. He has nearly 20 years of experience from working in various public listed companies. Mr. Cheung Sze Ming is currently an executive director, the company secretary and the chief financial officer of Affluent Partners Holdings Limited, a company listed on the Stock Exchange (stock code: 1466) since April 2018, and an independent non-executive director of Ocean Line Port Development Limited, a company listed on the GEM Board of the Stock Exchange (stock code: 8502) since November 2020. He was an executive director and the chief financial officer of Dingyi Group Investment Limited, a company listed on the Stock Exchange (stock code: 508), from October 2011 to March 2018. He worked in an international audit firm before joining the listed companies. Mr. Cheung Sze Ming holds a bachelor's degree in Accountancy from Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University). He is also a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants).

CORPORATE GOVERNANCE REPORT



INTRODUCTION

The Board is committed to maintaining high standards of corporate governance in performing their obligations to act in the best interests of shareholders and enhance long-term shareholder value. Except for the non-compliance and deviations described below, the Directors are not aware of any information which would reasonably indicate that the Company is not, or was not at any time during the Year, acting in compliance with the code provisions (the “**Code Provision(s)**”) of the Corporate Governance Code (the “**Corporate Governance Code**”) set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

Under Code Provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. No chief executive officer was appointed by the Company upon the resignation of Ms. Li Bing on 9 November 2020. With effect from 2 March 2021, Mr. Cheung Siu Fai has become the Chairman and also assumed the role of Acting Chief Executive Officer until a suitable candidate is identified. The Board believes that vesting the roles of the Chairman and the Acting Chief Executive Officer in Mr. Cheung will provide the Company with strong and consistent leadership and promote effective and efficient formulation and implementation of business decisions and strategies. The Board considers that such structure is in the best interests of the Company and its shareholders at this stage. The Board however will keep reviewing the current structure of the Group’s management from time to time and should a candidate with suitable knowledge, skill and experience be identified, the Company will make such nomination as appropriate to ensure that the roles of the Chairman and the chief executive officer of the Company are performed by two separate individuals.

Pursuant to Code Provision A.4.2 of the Corporate Governance Code before the amendment to the Listing Rules effective on 1 January 2022, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. Bye-law 86(2) of bye-laws (the “**Bye-law(s)**”) of the Company stipulates that any director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office until the next annual general meeting of the Company and shall then be eligible for re-election at that meeting. Mr. Hui Chun Wai Henry was appointed as an executive Director with effect from 2 March 2021 and Mr. Chow Hiu Tung and Mr. Cheung Sze Ming were appointed as independent non-executive Directors with effect from 12 March 2021. Instead of retiring and offering themselves for re-election at the special general meeting of the Company held on 17 March 2021 (the “**March 2021 SGM**”), these newly appointed Directors retired and offered themselves for re-election in accordance with Bye-law 86(2) of the Bye-laws at the annual general meeting of the Company held on 31 May 2021 (the “**2021 AGM**”).

Pursuant to Code Provision C.1.6 of the Corporate Governance Code, independent non-executive directors and other non-executive directors should also attend general meetings to gain and develop a balanced understanding of the views of shareholders. Neither Mr. Zhao Ruiyong nor Mr. Cheung Ka Heng Frankie, being then non-executive Directors, attended the March 2021 SGM or the 2021 AGM because they were no longer involved in the affairs of the Company at the time. None of the independent non-executive Directors attended the March 2021 SGM because all of Mr. Fong Wai Ho, Mr. Chow Hiu Tung and Mr. Cheung Sze Ming had other business engagements. All independent non-executive Directors attended the 2021 AGM.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirms that the Directors have complied with the required standard set out in the Model Code during the year ended 31 December 2021.

BOARD OF DIRECTORS

BOARD COMPOSITION

As at the date of this annual report, the Board comprises two executive Directors, namely Mr. Cheung Siu Fai (the Chairman and the Acting Chief Executive Officer) and Mr. Hui Chun Wai Henry and three independent non-executive Directors, namely Mr. Fong Wai Ho, Mr. Chow Hiu Tung and Mr. Cheung Sze Ming. Biographical details of the Directors as of the date of this annual report are set out in the section headed “Directors’ Biographical Details” on pages 11 to 12 of this annual report.

As disclosed in the Directors’ biographical details above, Mr. Hui Chun Wai Henry was an employee of Hammer Capital Asset Management Limited until his resignation on 30 June 2021, of which Mr. Cheung Siu Fai is a director. Except for the above, there is no other relationship (including financial, business, family or other material/relevant relationships) among the Directors.

Each of the executive Directors has entered into a service contract with the Company for a specific term of 3 years subject to the retirement and re-election requirements of the Bye-laws, and such term may be terminated by the relevant executive Director with a not less than one month’s prior written notice. Each of the independent non-executive Directors has entered into an appointment letter with the Company for a specific term of 3 years subject to the retirement and re-election requirements of the Bye-laws, and such term may be terminated by the relevant independent non-executive Director with a not less than one month’s prior written notice.

In accordance with the Bye-laws, not less than one-third of the Directors for the time being (or if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) will retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years. Any Director appointed to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the following annual general meeting of the Company and shall then be eligible for re-election at that meeting.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the “**Board Diversity Policy**”) in 2013 (revised by the Board on 25 November 2021 and on the date of this annual report) to set out the approach to achieve diversity for the Board. Pursuant to the Board Diversity Policy, the Company recognises the benefits of a Board that possesses a balance of skills, expertise, experience and diversity of perspectives appropriate to the requirements of the businesses of the Group. Board appointments will continue to be on a merit basis, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The nomination committee (the “**Nomination Committee**”) of the Company has set measurable objectives for implementing the Board Diversity Policy. Selection of candidates will be based on a range of diversity perspectives, including but not limited to the Company’s needs, gender, age, ethnicity, cultural and educational background, professional experience, qualification, skills, knowledge, length of service, and the amount of time and effort that the candidate will devote to discharge his/her duties and responsibilities and, in the case of independent non-executive Director(s), the independence requirements set out in the Listing Rules. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board would ensure that appropriate balance of gender diversity is achieved with reference to stakeholders’ expectation and international and local recommended best practices, with the ultimate goal of bringing the Board to gender parity.

The Nomination Committee continues to be responsible for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company’s corporate strategy and will review the Board Diversity Policy on an annual basis to assess its effectiveness. The Nomination Committee will discuss and agree on measurable objectives for achieving diversity of the Board, and where necessary, make any revisions that may be required and recommend any such revisions to the Board for consideration and approval. The Nomination Committee was of the view that an appropriate balance of diversity perspectives of the Board is maintained. The Board has disclosed a summary of the Board Diversity Policy including any measurable objectives that it has set for implementing the Board Diversity Policy above.



BOARD MEETINGS

The Board meets regularly and on those occasions when Board decisions are required for major issues. All Directors are provided with adequate and timely information prior to Board meetings to ensure that the Directors can make informed decisions when fulfilling their responsibilities. All meeting minutes and written resolutions of the Board and its committees are kept by the company secretary of the Company (the “**Company Secretary**”), and such records are available for inspection at any reasonable time on reasonable notice by any Director.

During the Year, the Board held 17 meetings. The attendance of each Director at Board meetings and general meetings of the Company held during the Year is set out below.

Name of Director	Attendance/number of meetings held during the Director's tenure	
	Board meeting [#]	General meeting
Cheung Siu Fai	16/17	1/2
Hui Chun Wai Henry (appointed with effect from 2 March 2021)	12/12	2/2
Lau Wai Yui Jimmy (appointed with effect from 2 March 2021 and resigned with effect from 12 March 2021)	0/1	N/A
Zhao Ruiyong (removed with effect from 31 May 2021)	0/10	0/2
Cheung Ka Heng Frankie (removed with effect from 31 May 2021)	4/10	0/2
Fong Wai Ho	17/17	1/2
Chow Hiu Tung (appointed with effect from 12 March 2021)	11/11	1/2
Cheung Sze Ming (appointed with effect from 12 March 2021)	11/11	1/2
Huang Tao (resigned with effect from 2 March 2021)	3/5	N/A
Leung Wai Kei (resigned with effect from 12 March 2021)	6/6	N/A
Lam Chik Shun Marcus (resigned with effect from 12 March 2021)	6/6	N/A

[#] Including physical meetings and meetings held by telephone conference

On those occasions where it was not practical to convene physical meetings, in lieu thereof, written resolutions of the Board together with full copies of related documents were circulated to all Directors for consideration and approval. During the Year, all such written resolutions were approved by all Directors.

BOARD AND MANAGEMENT

The Board is primarily responsible for establishing the overall strategies of the Group, setting objectives and business development plans, assuming responsibility for corporate governance and monitoring operational and financial performance of the Group.

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Newly appointed Directors are provided with induction training immediately after appointment to ensure that they have appropriate understanding of the business and operations of the Group and that they are fully aware of their responsibilities and obligations under the Listing Rules including the Corporate Governance Code, and other applicable regulatory requirements.

In accordance with C.1.4 of the Corporate Governance Code with regards to continuous professional development, Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Directors are also encouraged to participate in external trainings at the Company's expense. All Directors are required to provide the Company annually with their training records. According to the training records maintained by the Company, the trainings received by each of the Directors during the Year are summarised as below.

Name of Director	Regulatory updates or corporate governance related materials
Cheung Siu Fai	✓
Hui Chun Wai Henry (appointed with effect from 2 March 2021)	✓
Lau Wai Yui Jimmy (appointed with effect from 2 March 2021 and resigned with effect from 12 March 2021)	N/A
Zhao Ruiyong (removed with effect from 31 May 2021)	N/A
Cheung Ka Heng Frankie (removed with effect from 31 May 2021)	N/A
Fong Wai Ho	✓
Chow Hiu Tung (appointed with effect from 12 March 2021)	✓
Cheung Sze Ming (appointed with effect from 12 March 2021)	✓
Huang Tao (resigned with effect from 2 March 2021)	N/A
Leung Wai Kei (resigned with effect from 12 March 2021)	N/A
Lam Chik Shun Marcus (resigned with effect from 12 March 2021)	N/A

CHAIRMAN AND CHIEF EXECUTIVE

During the Year, Mr. Zhao Ruiyong was the Chairman until his re-designation as a non-executive Director on 2 March 2021 and Mr. Cheung Ka Heng Frankie was the vice-chairman of the Company until his re-designation as a non-executive Director on 2 March 2021. Mr. Cheung Siu Fai was appointed as the Chairman and the Acting Chief Executive Officer with effect from 2 March 2021. The Chairman was responsible for providing leadership to the Board and monitoring Board effectiveness and shareholder communications. The Acting Chief Executive Officer was responsible for the overall management of the Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors are highly skilled professionals with a broad range of expertise and experience in the fields of accounting, finance and business. Their skills and expertise can ensure that strong independent views and judgment are brought in the Board's deliberations and that such views and judgment carry weight in the Board's decision-making process. Their presence and participation also enable the Board to maintain high standards of compliance in financial and other mandatory reporting requirements, and provide adequate checks and balances to safeguard the interests of the Company and its shareholders.



BOARD COMMITTEES

The Board has established three regular committees, comprising audit committee (the “**Audit Committee**”) of the Company, remuneration committee (the “**Remuneration Committee**”) of the Company and the Nomination Committee, and has delegated various responsibilities to those committees. The committees perform their distinct roles in accordance with their respective terms of reference which are available on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.gwt.hk).

All committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances at the Company’s expense.

AUDIT COMMITTEE

The Audit Committee was established on 29 September 1999 and comprised of all independent non-executive Directors during the Year. As at the date of this annual report, the Audit Committee comprised three independent non-executive Directors, namely Mr. Fong Wai Ho, Mr. Chow Hiu Tung and Mr. Cheung Sze Ming. Mr. Fong Wai Ho, who has the appropriate financial-related professional qualification and experience, is the chairman of the Audit Committee.

The principal role of the Audit Committee is to review the effectiveness of the financial reporting practices, the quality and integrity of the financial reports, the internal control and risk management systems and the audit functions of the Company; and to review the nature and scope of the external audit and internal audit of the Company, the results of their examinations as well as their evaluations on the internal control and risk management systems. The Audit Committee is also responsible for nominating external auditors and approving their audit fees and is granted the authority to investigate any activities within its terms of reference. There is no disagreement between the Directors and the Audit Committee regarding the selection and appointment of the external auditor of the Company.

During the Year, the Audit Committee held 2 meetings to review the Group’s annual results for the year ended 31 December 2020 and the interim results for the six months ended 30 June 2021 with the presence of the external auditor of the Company before their submission to the Board; to assess any changes in accounting policies and practices, major judgmental areas and compliance with applicable legal and accounting requirements and standards; to review the effectiveness of the internal control and risk management systems; and to make recommendations to the Board regarding the re-appointment of the external auditor of the Company and approve their audit fees.

The attendance of each member of the Audit Committee at the committee meetings held during the Year is set out below.

Name of Director	Attendance/number of Audit Committee meetings# held during the Director’s tenure
Fong Wai Ho	2/2
Chow Hiu Tung (appointed as a committee member with effect from 12 March 2021)	2/2
Cheung Sze Ming (appointed as a committee member with effect from 12 March 2021)	2/2
Huang Tao (resigned with effect from 2 March 2021)	N/A
Leung Wai Kei (resigned with effect from 12 March 2021)	N/A
Lam Chik Shun Marcus (appointed as a committee member with effect from 2 March 2021 and resigned with effect from 12 March 2021)	N/A

Including physical meetings and meetings held by telephone conference

REMUNERATION COMMITTEE

The Remuneration Committee was established on 18 December 2001 and comprised of a majority of independent non-executive Directors during the Year. As at the date of this annual report, the Remuneration Committee comprised three independent non-executive Directors, namely Mr. Fong Wai Ho, Mr. Chow Hiu Tung and Mr. Cheung Sze Ming. Mr. Fong Wai Ho is the chairman of the Remuneration Committee.

The Remuneration Committee is responsible for determining a mechanism for setting the Group's remuneration structure with reference to fair and objective standards, determining and reviewing the remuneration of Directors and addressing and dealing with such other matters relating to remuneration as directed by the Board from time to time.

During the Year, the Remuneration Committee held 3 meetings to make recommendations to the Board on the remuneration packages of newly appointed Directors; and to determine, with delegated responsibility, the remuneration budget of individual Directors and senior management of the Company for the year ending 31 December 2022.

The attendance of each member of the Remuneration Committee at the committee meetings held during the Year is set out below.

Name of Director	Attendance/number of Remuneration Committee meetings# held during the Director's tenure
Fong Wai Ho (appointed as a committee member with effect from 26 February 2021 and committee chairman with effect from 12 March 2021)	3/3
Chow Hiu Tung (appointed as a committee member with effect from 12 March 2021)	1/1
Cheung Sze Ming (appointed as a committee member with effect from 12 March 2021)	1/1
Lam Chik Shun Marcus (appointed as a committee member with effect from 26 February 2021, committee chairman with effect from 2 March 2021 and resigned with effect from 12 March 2021)	2/2
Huang Tao (acted as committee chairman and resigned with effect from 2 March 2021)	0/1
Zhao Ruiyong (ceased to be a committee member with effect from 2 March 2021)	0/1
Leung Wai Kei (resigned with effect from 12 March 2021)	2/2

Including physical meetings and meetings held by telephone conference



NOMINATION COMMITTEE

The Nomination Committee was established on 9 December 2011 and comprised of a majority of independent non-executive Directors during the Year. As at the date of this annual report, the Nomination Committee comprised three independent non-executive Directors, namely Mr. Fong Wai Ho, Mr. Chow Hiu Tung and Mr. Cheung Sze Ming, and one executive Director, namely Mr. Cheung Siu Fai. Mr. Cheung Siu Fai, the chairman of the Board, is also the chairman of the Nomination Committee.

The Nomination Committee is responsible for identifying, recruiting and evaluating new nominees to the Board; reviewing the structure, size and composition of the Board, including the skills, knowledge and experience of Directors and the time devoted by Directors in fulfilling their responsibilities; assessing the independence of independent non-executive Directors; together with addressing and dealing with such other matters relating to nominations as directed by the Board from time to time.

The Nomination Committee leads the process and makes recommendations for appointments to the Board. In evaluating and selecting candidates for directorship, the Nomination Committee considers the candidates' character and integrity, skill and expertise, professional and educational background and potential time commitment as well as other statutory or regulatory requirements.

During the Year, the Nomination Committee held 3 meetings to make recommendations to the Board on the appointment of new directors and re-designation of directors; to review the structure, size and composition of the Board; to assess the independence of independent non-executive Directors; and to adopt and revise certain policies of the Company. Information relating to the policy on Board diversity is set out in the section headed "Board Diversity Policy" on page 14 of this annual report.

The attendance of each member of the Nomination Committee at the committee meetings held during the Year is set out below.

Name of Director	Attendance/number of Nomination Committee meetings# held during the Director's tenure
Cheung Siu Fai (appointed as the committee chairman with effect from 2 March 2021)	2/2
Fong Wai Ho (appointed as a committee member with effect from 26 February 2021)	3/3
Chow Hiu Tung (appointed as a committee member with effect from 12 March 2021)	1/1
Cheung Sze Ming (appointed as a committee member with effect from 12 March 2021)	1/1
Lam Chik Shun Marcus (appointed as a committee member with effect from 26 February 2021 and resigned with effect from 12 March 2021)	2/2
Zhao Ruiyong (ceased to be the committee chairman with effect from 2 March 2021)	0/1
Huang Tao (resigned with effect from 2 March 2021)	0/1
Leung Wai Kei (resigned with effect from 12 March 2021)	2/2

Including physical meetings and meetings held by telephone conference

NOMINATION PROCESS OF DIRECTORS

Appointment a New Director

- i. The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other members of the management and external recruitment agents.
- ii. The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new Directors and the biographical information (or relevant details) of each candidate, evaluate such candidate based on the criteria as set out by the Nomination Committee from time to time to determine whether such candidate is qualified for directorship.
- iii. If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- iv. The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.
- v. For any person that is nominated by a shareholder for election as a Director at a general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to shareholders in respect of the proposed election of Director(s) at the general meeting.

Re-election of a Director at General Meeting

- i. The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring Directors and the level of participation and performance on the Board.
- ii. The Nomination Committee and/or the Board should also review and determine whether the retiring Directors continue to meet the criteria as set out above.
- iii. The Nomination Committee and/or the Board should then make recommendation to shareholders in respect of the proposed re-election of Director(s) at general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as Director at a general meeting, the relevant information of the candidate will be disclosed in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.



CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing corporate governance duties including to (a) develop and review the Company's policies and practices on corporate governance; (b) review and monitor the training and continuous professional development of Directors and senior management; (c) review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) develop, review and monitor the code of conduct applicable to employees and Directors; and (e) review the Company's compliance with the Corporate Governance Code and disclosure in the corporate governance report under Appendix 14 to the Listing Rules.

The corporate governance policy is formulated with an emphasis on the Board's quality, effective internal control, stringent disclosure practices and transparency and accountability to all shareholders of the Company. The Board strives to comply with the Code Provisions and reviews its corporate governance policy regularly in order to maintain high standards of business ethics and corporate governance, and to ensure the full compliance of our operations with applicable laws and regulations.

SENIOR MANAGEMENT'S REMUNERATION

The Directors considered that they are the only senior management of the Group. Details of the remuneration of each Director for the Year are set out in note 11 to the consolidated financial statements.

AUDITOR'S REMUNERATION

The remuneration paid or payable to the Company's auditor, Confucius International CPA Limited, for services rendered in respect of the Year and Last Year is as follows:

	2021 HK\$'000	2020 HK\$'000
Audit services	1,124	1,323
Non-audit services		
Other services (Note 1)	805	125
Total	1,929	1,448

Note 1: During the Year, other services mainly represented the services provided by the Company's auditor in relation to two major transactions which were the Palico Acquisition and the Disposal of B&R Investment, the May Rights Issue, the November Rights Issue and the interim report for the six months ended 30 June 2021. During the year ended 31 December 2020, other services mainly represented the services provided by the Company's auditor for performing agree-upon procedures in connection with the interim report for the six months ended 30 June 2020.

In considering the re-appointment of the external auditor, the Audit Committee has taken into consideration their relationship with the Company and their independence. Based on the results of the review and after taking into account the opinion of the management of the Group, the Audit Committee recommended the Board to re-appoint Confucius International CPA Limited as the external auditor of the Company for the ensuing year, subject to approval by shareholders of the Company at the forthcoming annual general meeting. In addition, the Audit Committee is of the view that the auditor's independence is not affected by the non-audit services rendered.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements of the Group that shall give a true and fair view in accordance with the statutory requirements and applicable accounting standards.

The statement by the auditors of the Company about their reporting responsibilities is set out in the section headed "Independent Auditor's Report" on pages 55 to 58 of this annual report.

COMPANY SECRETARY

Mr. Law Hoi Ching, who was an employee of the Company, resigned as the Company Secretary and Mr. Leung Yung Yan ("Mr. Leung") was appointed as the Company Secretary on 30 April 2021. Mr. Leung is an employee of the Company and has day-to-day knowledge of the Company's affairs. The role of the Company Secretary is to ensure that the Directors have access to all necessary information and that all Board procedures are followed. He also advises the Board on corporate governance matters and facilitates induction and professional development of the Directors. Mr. Leung has confirmed that he has taken no less than 15 hours of relevant professional training during the Year.

SHAREHOLDERS' RIGHTS

CONVENING A SPECIAL GENERAL MEETING BY SHAREHOLDERS

Pursuant to Bye-law 58 of the Bye-laws, shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists, deposited at the Company's principal place of business in Hong Kong, Room 1005, 10/F., Tower Two, Lippo Centre, No. 89 Queensway, Hong Kong, and marked for the attention of the Board or the Company Secretary, and may consist of several documents in like form each signed by one or more requisitionists.

The requisition will be verified by the Company's branch share registrar and transfer office in Hong Kong and upon its confirmation that the written requisition is proper and in order, the Board shall convene and hold such a special general meeting within 2 months after the deposit of such requisition. If within 21 days from the date of such deposit the Board fails to proceed to convene such meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves do so in accordance with Section 74 of the Companies Act 1981 of Bermuda, but any meeting so convened shall not be held after the expiration of three months from the said date.

SENDING ENQUIRIES TO THE BOARD

Shareholders and other stakeholders of the Company may send their enquiries and concerns in writing to the Board by addressing them to the Board or the Company Secretary at the Company's principal place of business in Hong Kong, Room 1005, 10/F., Tower Two, Lippo Centre, No. 89 Queensway, Hong Kong, and the Company Secretary shall forward such written enquiries and concerns received to the Board for further handling.



PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

Pursuant to Sections 79 and 80 of the Companies Act 1981 of Bermuda, it shall be the duty of the Company, on the requisition in writing of such number ^{Note 1} of shareholders, at the expense of the requisitionists unless the Company otherwise resolves,

- (a) to give to shareholders of the Company entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and
- (b) to circulate to shareholders of the Company entitled to receive notice of any general meeting any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The Company will not give notice of any such resolution or to circulate any such statement unless:

- (a) a copy of the requisition signed by the requisitionists, or two or more copies which between them contain the signatures of all the requisitionists, is deposited at the Company's principal place of business in Hong Kong, Room 1005, 10/F., Tower Two, Lippo Centre, No. 89 Queensway, Hong Kong, and marked for the attention of the Board or the Company Secretary, (i) in the case of a requisition requiring notice of a resolution, not less than six weeks ^{Note 2} before the meeting; and (ii) in the case of any other requisition, not less than one week before the meeting; and
- (b) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expenses in giving effect thereto.

The requisition will be verified by the Company's branch share registrar and transfer office in Hong Kong.

Note 1 The number of shareholders necessary for a requisition shall be either (a) any number of shareholders representing not less than one-twentieth of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates or (b) not less than one hundred shareholders.

Note 2 If, after a copy of the requisition requiring notice of a resolution has been deposited at the principal place of business in Hong Kong, an annual general meeting is called for a date six weeks or less after the copy has been deposited, the copy though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Board communicates with the Company's shareholders and potential investors through various channels. The Board members meet and communicate with shareholders at annual general meetings and other general meetings where shareholders can obtain better understanding of the business and operating performance of the Group. Corporate communications (such as interim and annual reports, notices, circulars and announcements) are sent to shareholders in a timely manner and are available on the websites of the Company and the Stock Exchange.

During the Year, an annual general meeting of the Company was held on 31 May 2021 and a special general meeting of the Company was held on 17 March 2021.

CONSTITUTIONAL DOCUMENTS

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

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has overall responsibility for maintaining the Group's internal control systems and risk management and reviewing their effectiveness. The internal control systems of the Group are designed to provide reasonable but not absolute assurance against material misstatements or losses, to manage rather than eliminate the risks of system failures, and to assist in the achievement of the Group's goals. The systems are also structured to safeguard the Group's assets, to ensure the maintenance of proper accounting records, adequacy of resources, qualifications and experience of staff for the Company's accounting and financial reporting functions and compliance with applicable laws, rules and regulations, as well as risk management functions. The Company has also appointed an independent internal control consultant (the "IC Consultant") to review the effectiveness of risk management and internal control system of the Group for the Year. Main features of the risk management and internal control systems are described in the sections below:

RISK MANAGEMENT SYSTEM

The Group adopts a risk management system which manages the risk associated with its business and operations. The system comprises the following phases:

- Identification: Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
- Evaluation: Analyse the likelihood and impact of risks and evaluate the risk portfolio accordingly.
- Management: Consider the risk responses, ensure effective communication to the Board and on-going monitor the residual risks.

Based on the risk assessments conducted for the Year, other than non-compliance with the Listing Rules disclosed in the above "Introduction" sub-section of this corporate governance report, no significant risk was identified.

INTERNAL CONTROL SYSTEM

The Company has in place an internal control system which enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The main features and components of the internal control system are shown as follows:

- Control Environment: A set of standards, processes and structures that provide the basis for carrying out internal control across the Group.
- Risk Assessment: A dynamic and iterative process for identifying and analysing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.
- Control Activities: Action established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
- Information and Communication: Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
- Monitoring: Ongoing and separate evaluations to ascertain whether each component of internal control is present and functioning.



In order to enhance the Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group also adopts and implements an inside information policy and procedures. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include:

- The access to information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.
- Confidentiality agreements are in place when the Group enters into significant negotiations.
- The executive Directors are designated persons who speak on behalf of the Company when communicating with external parties such as the media, analysts or investors.

During the Year, the Board has conducted a review of the effectiveness of the internal control system of the Group. Based on the internal control reviews conducted for the Year, other than non-compliance with the Listing Rules disclosed in the above "Introduction" sub-section of this corporate governance report, no significant control deficiency was identified.

INTERNAL AUDIT

During the Year, given the current size and level of operations of the Group, the Group did not have an internal audit function but had appointed the IC Consultant to review the risk management and internal control systems by conducting interviews, walkthroughs and sample tests of operating effectiveness. The IC Consultant has submitted the internal control review and risk assessments reports of the Group to the Audit Committee and the Board in March 2022. The review report with examination results and relevant improvement recommendations were duly reported to the Audit Committee and the Board for them to assess the effectiveness of the internal control and risk management systems of the Group.

The Board considers that it is a continuous process for the Group to review and improve its risk management and internal control systems in order to ensure that they can adapt and respond to the dynamic and ever-changing business environment and regulatory framework. A review of the effectiveness of the Group's risk management and internal control systems is conducted annually by the Audit Committee, the results of which will be reported to the Board. Several areas have been considered during the reviews, including but not limited to (i) the changes in the nature and extent of significant risks since the last annual review, and the Group's ability to respond to changes in its business and the external environment; (ii) the scope and quality of management's ongoing monitoring of risks and of the internal control systems; and (iii) any control failings or weaknesses identified and relevant remedial actions to rectify the failings or weaknesses. As part of an on-going process for identifying, evaluating and managing material risks faced by the Group, the Company conducts regular reviews of material business processes and procedures in the Group's operations. Having conducted such reviews for the Year, the Board considers that the Group's risk management and internal control systems are reasonably implemented and effective and adequate, and the Company has complied with the Code Provisions relating to the risk management and internal control. Nevertheless, the Group will continue the process of reviewing the effectiveness of the risk management and internal control systems, focusing on specific business processes.

On behalf of the Board

Cheung Siu Fai

Chairman and Executive Director

Hong Kong, 24 March 2022



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SCOPE AND REPORTING YEAR

The Company and its key operating subsidiaries are pleased to highlight its Environmental, Social, and Governance (the “**ESG**”) performance in this ESG report, with disclosure reference made to the ESG Reporting Guide (the “**ESG Guidelines**”) as set out in Appendix 27 to the Listing Rules.

The Group has appointed a third-party consulting company to prepare this ESG report to ensure its objectivity. This ESG report covers the Group’s overall performance in two subject areas, namely environmental and social, of its key business operations (the “**Key Operations**”) in Hong Kong and Singapore during the Year.

The Key Operations included in this ESG report:

- The Company, which carries out mainly administrative and investment holding activities in Hong Kong;
- ZONE Telecom Pte Ltd (“**Zone Telecom**”), which is a telecommunication service provider licensed by the Infocomm Media Development Authority of Singapore. ZONE Telecom offers broadband connectivity, and a comprehensive suite of voice and data services and solutions to business organisations and residential customers; and
- ZONE Limited, which is a telecommunication service provider licensed by the Communications Authority of Hong Kong. ZONE Limited specialises in offering telecom and information technology related services and solutions.

The information in this ESG report was gathered and organised through various channels, including but not limited to internal control policies of the Group, the factual evidence of the implementation of the ESG strategies, the key performance indicators (the “**KPI(s)**”) listed according to the ESG Guidelines, and the annual performance quantitative data of the Group in respect of its business operations and ESG management.

BOARD STATEMENT ON ESG GOVERNANCE

The Board believes that comprehensive corporate governance and well developed operation practices are the foundation of the Group’s sustainable and long-term development. To ensure that appropriate and effective ESG policies are in place, the Board plays a leading role and takes full responsibility for the oversight of ESG matters including evaluating and determining material ESG-related issues and risks.

THE COMPANY’S MISSION AND VISION ON SUSTAINABILITY COMMITMENT

The Group is committed to achieving high standards of ESG performance and meeting all applicable legal requirements in the markets where it operates. The Board aims to put ESG considerations into business decision making process and regularly reviews the progress against ESG-related targets. Effective implementation of ESG policies relies on the collaboration of different departments of the Group. The Board intends to communicate with the management on an ongoing basis in order to review, evaluate, prioritise and manage material ESG-related issues and risks that may have impact on the Group’s operation, so as to ensure that the current policies meet all applicable legal requirements, business needs and stakeholders’ expectations.

ESG MANAGEMENT APPROACH

The Group’s ESG approach is to ensure that the Group continues to create long-term value for its stakeholders by retaining the economic and social advantages of its operations. It also takes the necessary steps to protect and support the communities with multiple values.

The Group strives to address the potential risks and opportunities brought by sustainability issues by encouraging cross departmental collaboration. The approach to tackle problems from multiple points of view is expected to provide more comprehensive solutions to problems that the society is facing today.

The Group understands that environmental conservation and community engagement are more than a moral imperative, they also make good business sense. By upholding its commitment to corporate social responsibility, the Group strives to forge itself into an environmentally friendly enterprise that cares about its employees’ development and protects their rights and interests.

The Board acknowledges its responsibility for ensuring the integrity of this ESG report and to the best of its knowledge, that this ESG report addresses all material issues and fairly presents the ESG performance of the Group and its impact. The Board confirms that it has reviewed and approved this ESG report.



CERTIFICATION

Over the years, the Group has made considerable endeavours in reducing waste in the course of its operations. The Company has been recognised and awarded the “Wastewi\$e Certificate – Excellence Level” (the “**Excellence Level Certificate**”) by the Hong Kong Green Organisation Certification (the “**HKGOC**”) for the 7th consecutive year. The scheme, established by, among others, the Environmental Protection Department and Environmental Campaign Committee, encourages Hong Kong businesses and organisations in adopting structured measures to reduce the amount of waste generated within their establishments or generated through the services and products they provide. Having acquired and renewed the Excellence Level Certificate, it means that the Company has:

- successfully implemented all applicable mandatory measures as required by the HKGOC with the relevant achievements reported; and
- successfully implemented at least 80% of applicable non-mandatory measures as required by the HKGOC.

The Group will continue to explore and participate in other schemes and programmes to achieve sustainability.

REPORTING PRINCIPLES

The Group has prepared this ESG report in accordance with the following reporting principles stated in the ESG Guidelines:

- **Materiality:** The Group communicates with our major stakeholder groups to identify and assess ESG-related issues that matter most from stakeholders’ perspectives.
- **Quantitative:** Quantitative information/KPIs presented in this ESG report are accompanied by narrative, explanation and comparisons wherever applicable.
- **Balance:** This ESG report aims to disclose data in an objective way in order to provide stakeholders with a balanced overview of the Group’s overall ESG performance.
- **Consistency:** Unless otherwise stated, the Group adopts consistent methodologies and retrieves social and environmental KPIs from the Group’s internal record system. The scope of reporting and KPIs are consistent with those of the previous ESG reports to allow meaningful comparisons over time.

REPORTING BOUNDARY

- The Company
- ZONE Telecom
- ZONE Limited

The Group defines the scope of this ESG report based on its discreet analysis of its business operations during the Year. The Group’s awareness on greenhouse gas emissions and climate change is ever increasing, we focus on improving our data collection system and expanding our disclosure scope. This ESG report has additionally covered ZONE Limited. The Group considers that these three Key Operations are relatively significant from environmental and social perspectives. Hangzhou Susong Technology Company Limited* (杭州蘇頌科技有限公司) was excluded from this ESG report as its contribution is immaterial to the Group in the Year.

* for identification purpose only

STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on its ESG approach and performance. Stakeholders are welcomed to provide their your suggestions or share their views with the Group through any channel below to help the Group improve its ESG performance:

Email: investor@gwt.hk

Website: <http://www.gwt.hk/contact/contact.htm>

Address: Room 1005, 10/F., Tower Two, Lippo Centre, No. 89 Queensway, Hong Kong

Phone: +852 2522 3800

Fax: +852 2111 2665

The following sections provide more information about the Group's practices in the areas of the environment, employees' engagement and development, good operating practices and contribution to the community.

STAKEHOLDERS' ENGAGEMENT

In order to define the current and future sustainability strategies, it is important to understand stakeholders' expectations on the development and success of the Group and assess the potential impact of the future business activities.

The Group will continue to establish effective communication with the major stakeholders in various ways in order to deal with their concerns and provide feedback in a timely manner. It is believed that it is necessary to consider the needs of all stakeholders, which is conducive to maintaining a long-term courteous relationship with shareholders and investors, employees, customers and public bodies. The areas of concern considered by the stakeholders are listed below:

Major Stakeholder	Major Communication Channels	Major Concerns
Shareholders and Investors	<ul style="list-style-type: none"> • Press Release, Corporate Announcements and Circulars • Annual and Interim Reports • General Meetings • Investor Mailbox 	<ul style="list-style-type: none"> • Business Development Plan • Financial and Business Stability • Information Disclosure and Transparency • Profitability
Employees	<ul style="list-style-type: none"> • Trainings and Team Bonding Activities • Business Meetings and Briefings • Performance Appraisals 	<ul style="list-style-type: none"> • Career Development and Training Opportunities • Compensation and Benefits • Healthy & Safe Working Environment • Personal Data Protection and Security
Public Community	<ul style="list-style-type: none"> • Community Interactions • Marketing 	<ul style="list-style-type: none"> • Corporate Social Responsibilities • Community Investment and Charitable Activities
Government and Supervisory Institutions	<ul style="list-style-type: none"> • Compliance Reports • Major Meetings and Policy Consultations • Information Disclosures • Examinations and Inspections 	<ul style="list-style-type: none"> • Compliance Operation • Corporate Governance • Environmental Protection
Environment	<ul style="list-style-type: none"> • ESG Report 	<ul style="list-style-type: none"> • Energy Saving and Emission Reduction • Mitigation Measures
Customers	<ul style="list-style-type: none"> • Business Communication • Customer Feedback 	<ul style="list-style-type: none"> • Information Security • Products and Services Quality

During the Year, through various communication channels, the Group has learnt the concerns from the major stakeholders, including environmental and energy saving measures, compliance operation, information disclosure, privacy protection and community involvement.



A. ENVIRONMENTAL

The Group has established a set of environmental protection measures to ensure the sustainable development and operation of the Group. In order to pursue the sustainable development of the environment and community, the Group is becoming more and more cautious in controlling its emissions and resources consumption and strictly abides by the relevant environmental laws and regulations of different countries in where the Group has daily operations.

This section primarily discloses the Group's policies, practices, and quantitative data on emissions, use of resources, environment and natural resources during the Year.

A1. EMISSIONS

The Group is committed to reducing its energy consumption, greenhouse gas ("GHG") emissions, water consumption and waste footprint by high efficiency and green development concept. The awareness of environment protection is integrated in the strategies and the operational procedures of the Group.

During the Year, the Group did not have any cases of material non-compliance relating to air and GHG emissions, discharge into water and land, and generation of hazardous and non-hazardous waste as required by the applicable laws and regulations. The Group also did not receive any complaints in relation to environment protection.

Types of Emissions

Due to the nature of the Group's businesses, no significant air emission, discharge into water or land were reported in relation to its operations in Hong Kong and Singapore during the Year. No substantial hazardous waste was produced by the Group in Hong Kong and Singapore during the Year.

During the Year, the amount of air emissions of the Group has no significant changes as compared with Last Year. The Group actively uses conference call system platforms and email discussions to replace unnecessary business travels for reduced emissions.

GHG Emissions

During the Year, 17.18 tonnes (2020: 16.26 tonnes) of carbon dioxide equivalent (tCO₂e), which included carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons, were emitted by the Group. The increase in GHG emissions during the Year as compared to 2020 was mainly due to the increase in electricity consumption as a result of increase in number of working days following gradual resumption of normal work-in-office arrangement. The Group has also encouraged its staff to use electronic form of documents to reduce the use of paper. The intensity was 0.06 tCO₂e/m² (2020: 0.04 tCO₂e/m²), or 0.75 tCO₂e/employee (2020: 0.68 tCO₂e/employee). The increases in both intensity per office area and intensity per employee were mainly due to the decrease in office area as a result of relocation of Singapore office and the decrease in average number of staff during the Year, respectively.

The Group has strictly complied with the relevant laws and regulations in relation to GHG emissions.

GHG emission by scope

		2021 Emissions (tCO ₂ e)	2020 Emissions (tCO ₂ e)	% Change
Scope 1				
Direct emission	N/A (Note 1)	N/A	N/A	N/A
Scope 2				
Indirect emission	Purchased electricity (Note 2)	15.68	14.01	11.9%
Scope 3				
Other indirect emission	Business air travel (Note 2)	0	0.63	(100.0%)
	Paper waste disposed at landfills (Note 2)	1.50	1.62	(7.4%)
Total		17.18	16.26	5.7%

Note 1: No direct emission due to the nature of the Group's businesses.

Note 2: Emission factors were made reference to Appendix 27 to the Listing Rules and its referred documentation as set out by the Stock Exchange, unless stated otherwise.

The increase in indirect emission was mainly due to the increase in electricity consumption. For details, please refer to sub-section namely "Energy Consumption" of section A.2 of this ESG report.

The Group recorded no other indirect emission arising from business air travel as a result of no business air travel during the Year amid travel restrictions associated with the development of COVID-19 pandemic.

Hazardous Waste Produced

The Group produced 0 kg (2020: 0 kg) of hazardous waste in 2021. The intensity was 0 kg/m² (2020: 0 kg/m²), or 0 kg/employee (2020: 0 kg/employee) during the Year.

The Group sets a target to maintain the hazardous waste produced at a minimum level for the coming years.

Non-hazardous Waste Produced and Paper Consumption

During the Year, the Group generated 0 kg (2020: 0 kg) of non-hazardous waste. The intensity was 0 kg/m² (2020: 0 kg/m²), or 0 kg/employee (2020: 0 kg/employee).

The Group sets a target to maintain the non-hazardous waste produced at a minimum level for the coming years.



Measures to Mitigate Emissions

The Group has offered tips and guidelines for efficient use of energy, which can be found in the “Waste Handling and Reduction Initiatives” section of this ESG report. The major source of the Group’s air emissions is from electricity consumption. The Group has adopted the measures as stated in the “Energy Use Efficiency Initiatives” section of this ESG report to reduce the electricity consumption.

The Group sets a target for the year 2022 that the GHG emission will remain at a similar level as in 2021.

Waste Handling and Reduction Initiatives

Though the Group did not generate a significant amount of waste due to its business nature, waste reduction and responsible waste disposal are a priority of the Group’s management approach. Since 2015, the Group has been awarded the Excellence Level Certificate for its continuous commitment in establishing waste reduction measures and goals.

In addition, the Group has adopted a number of waste reduction measures to protect the environment:

- To encourage the use of both sides of papers when printing and photocopying;
- To encourage the use of electronic documents instead of paper printing;
- To place recycled boxes for the collection of used papers in the office area; and
- To encourage reuse of envelopes for the internal post with new labels.

The Group distributes office memo through email to promote the adoption of green initiatives to all staff on a regular basis.

Through the above mitigation measures, the Group believes that they will change the behaviour on the use of resources in its workplaces and help to achieve the goal of waste reduction in the coming years.

The Group will continue to explore opportunities to participate in other schemes and programmes to contribute more in achieving sustainability.

A2. USE OF RESOURCES

The Group strives to use resources effectively and minimise the discharge of wastes. In the ordinary course of business, the Group has implemented various energy saving and emission reduction measures. Apart from the waste reduction actions mentioned above, the other relevant examples are as follows:

Reduce:

- Less printout for client communications and corporate materials;
- Procurement of office supplies across departments to avoid unnecessary purchases and disposals;
- To encourage employees to switch off the lights, air-conditioning and computer monitor after office hours or when they are not in use;

Reuse:

- Reuse of office equipment;

Recycle:

- Recycling of used paper, plastic bottles and metal cans;
- Waste stream segregation; and
- Staff training and behavioural change.

The Group is aware that resources shall be preserved. It has established guidelines on the efficient use of energy and water for daily operational purposes.

Energy Consumption

In 2021, the Group consumed an equivalent of 22,083 kWh energy (2020: 17,291 kWh energy), with an intensity of 74.28 kWh/m² (2020: 39.07 kWh/m²), or 960.13 kWh/employee (2020: 720.46 kWh/employee).

Energy consumption was mainly composed of electricity in the office. Compared with 2020, there is an increase in the energy consumption of the Group due to the increase in number of working days in office because of gradual resumption of normal work-in-office arrangement of the Hong Kong office during the Year. The Group also promotes energy-saving measures in office area.



Water Consumption

Water consumption within the offices in Hong Kong and Singapore was managed by the property management office, so the information was not readily available. If there are any information available to the Group, they would keep the information for the future use in the ESG report.

Energy Use Efficiency Initiatives

In order to achieve higher energy efficiency, the Group implemented the following key measures during the Year:

- Promoting the consciousness of saving electricity. The Group consciously develops good habits of power consumption among its employees and timely discourages the behaviour of wasting electricity. "Save Energy" stickers are affixed near the switches as a reminder;
- Using lighting reasonably. When there are fewer people in offices, employees are encouraged to turn on the lights as little as possible or only turn on the overhead lights. The last person leaving the office will be responsible to switch off the lights; and
- Turning off or putting in energy-saving mode of electrical appliances including computers, printers and other equipment which are not in use to avoid unnecessary power consumption.

As the emission from energy consumption is mainly in relation to the electricity used for daily operations of our offices, the Group strives to reduce electricity consumption by the above measures and sets a target for the year 2022 that the energy consumption will remain at a similar level as in 2021.

Water Use Efficiency Initiatives

Although an insignificant amount of water is consumed in the ordinary course of the Group's business, the Group understands the importance of conserving water and advocates within the workplace several water saving practices.

During the Year, the Group did not have any issues in sourcing water that is fit for purpose.

Packaging Material

The Group does not use a significant amount of packaging materials due to the nature of its business.

A3. THE ENVIRONMENT AND NATURAL RESOURCES

Significant Impact of Activities on the Environment

Due to the nature of the Group's businesses, no significant environmental issue was noted in the business activities during the Year. However, the Group is well aware that its daily operational activities still generate emissions and consumes resources. The Group is working on various sustainable development activities to ensure that the resources are used effectively in the ordinary course of business.

To minimise its impact on the environment, the Group is committed to carrying out environmental protection measures. The Group will pay attention to relevant laws and regulations and continue reviewing its policies and practices to eliminate any risks involved.

There will be more concerns from local government and international community over carbon emissions, the Group will act in accordance with the ESG provisions as set out and revised by the Stock Exchange from time to time. The Group will continue to report environmental KPIs and information as well as social information in accordance with the provisions.

The Group is not aware of any material non-compliance matters relating to use of resources and the Group had in all material aspects complied with all relevant environment rules and regulations in Hong Kong and Singapore during the Year.

A4. CLIMATE CHANGE

Global warming has been one of the utmost concerned issues in recent years, which might induce extreme weather conditions such as storms, flooding and earthquakes, etc. During the Year, the Group had not been seriously affected by the extreme weather conditions as the Group adopted various emergency plans to prevent the disruption of the Group's operation such as working arrangement in black rainstorm warning and/or typhoon signal no. 8 situation. Even though the Group expected that potential extreme weather condition and the sustained high temperature do not have a material impact on its operations, the Group will continue to monitor the climate-related risks and implement relevant measures to mitigate the potential impact of climate change.



B. SOCIAL

B1. EMPLOYMENT

The Group has always considered talents as its most valuable resource and asset. The Group respects and protects the statutory rights and interests of employees, provides a fair career development platform, cares about its employees' physical and mental health, and joins hands with employees to realise sustainable development.

The Group has developed sound employment policies covering the requirements and standards of recruitment to ensure the efficient management of human resources.

The Group is committed to implementing the remuneration distribution principles based on performance, efficiency and fairness. On top of labour basic salary, the Group may pay performance bonuses in accordance with employees' performance and the Group's business performance. In order to maintain a competitive remuneration package, the Group carries out evaluation and adjustment on remuneration every year with reference to the average salary, the consumption level and the industry practice of the relevant place of operation, so as to attract and retain talents.

During the Year, the Group complied with all relevant laws and regulations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The Group is not aware of any material non-compliance matters or any violation of employment and labour-related regulations during the Year.

Employee Engagement

The Group has outlined the general procedures and practices of the Group related to employment, compensation and benefits in its employee handbook (the "**Employee Handbook**"). In order to ensure diversity and equality, the selection process is non-discriminatory and is solely based on the employee's performance, experience and skills.

The Group adopts bilateral communications policy. Employees have several channels to express their concerns and communicate with management as outlined as follows:

- Emails – the Group conveys general information, for instances, new hires, activities, policies and procedures updates to all employees;
- Meetings – the Group holds meetings, where the management representatives and employees can together share their views on the Group's policies and business operations;
- Instant messaging tools – the Group sets up chatrooms in the widely used mobile communication platforms, such as WhatsApp and WeChat, to facilitate and encourage communications; and
- Other bonding activities – the Group encourages casual gatherings, for example, holding celebratory parties at Christmas, where employees are encouraged to establish closer ties.

Remuneration and Benefits

The Group offers a wide range of incentives to the employees, including competitive salaries and proper insurance coverage. The Group may also distribute bonuses to employees based on their contribution to the Group's performance throughout the Year. These incentives and benefits are benchmarked against industry peers, ensuring that the Group continues to be a destination for quality talents.

Additionally, the Group aims to offer additional benefits to its employees including, but not limited to, medical and dental allowances, paid paternity and maternity leave, as well as training and education subsidies. Some other benefits that are provided, including:

- Shortened working hours on certain days of festivals, such as the Chinese Winter Solstice Festival, Mid-autumn Festival, New Year Eve and Chinese New Year Eve;
- Marriage leave; and
- Compassionate leave.

Recruitment, Promotion and Dismissal

The Group has developed a fair recruitment and promotion policy that prohibits infringement to equal employment opportunity or unfair treatment. As such, the Group strictly enforces an anti-discrimination policy and has zero tolerance for harassment in any form. All decisions in relation to recruitment, promotion, and dismissal shall be concluded based on the candidates'/employees' experience, ability, capacity, background, and irrespective of their race, gender, religious belief, social origin or identity, age, physical condition and marital status, etc.

The Group conducts objective and comprehensive assessment to evaluate employees' working ability and performance, and provide basis for employees' promotion, transfer of position or salary increment. The Group is committed to providing competitive salary and other benefits in order to retain and motivate the talents. The remuneration scheme is reviewed annually with reference to the market practices as well as experience and performance of the staff. The working hours, leaves and other statutory requirements such as social insurance are all in compliance with the applicable laws and regulations.

The Group also welcomes employees to discuss their targets and expectations in job advancement and career development with the management if they have any ideas or difficulties regarding their job.

There were no non-compliance cases in relation to employment laws and regulations during the Year.

Rest Days and Holidays

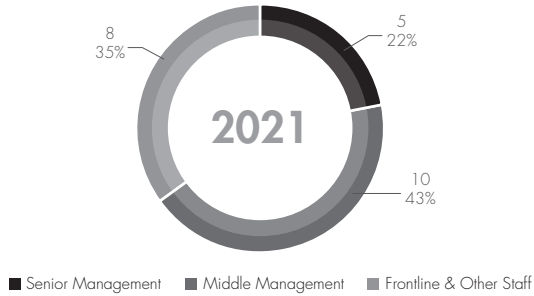
The Group provides employees according to the employee category with various paid leaves and holidays including statutory holidays, maternity or paternity leaves, study and examination leaves, marriage leaves and annual leaves.

Total Workforce

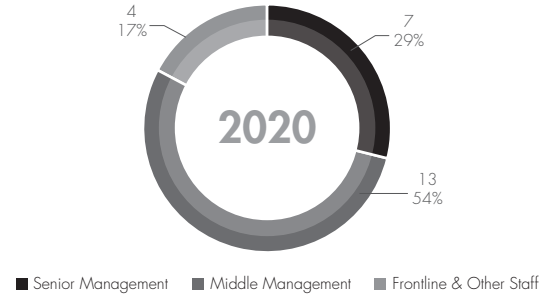
As of 31 December 2021, the Group had 23 employees (2020: 24 employees), 100% (2020: 95.83%) of which worked full-time.



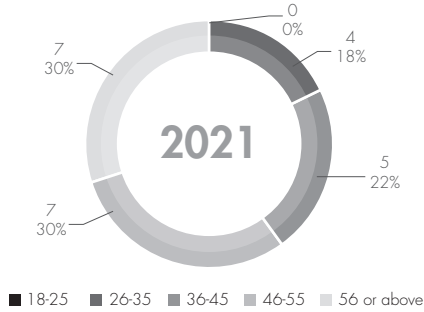
Total workforce by employee category
(Number of employees)



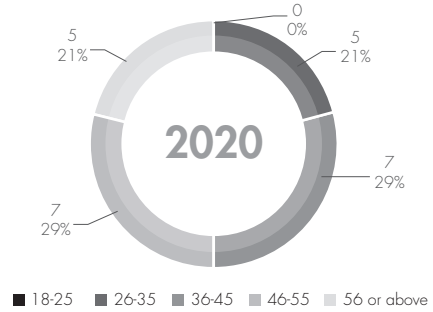
Total workforce by employee category
(Number of employees)



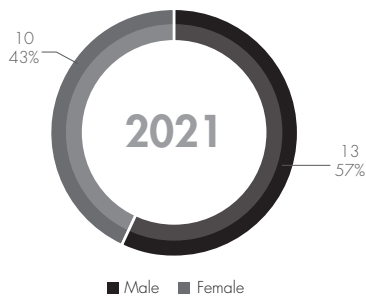
Total workforce by age group
(Number of employees)



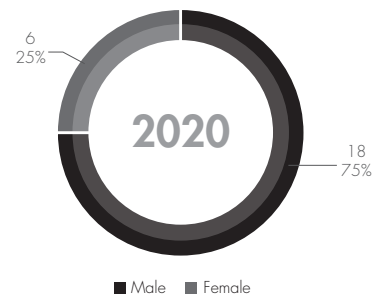
Total workforce by age group
(Number of employees)



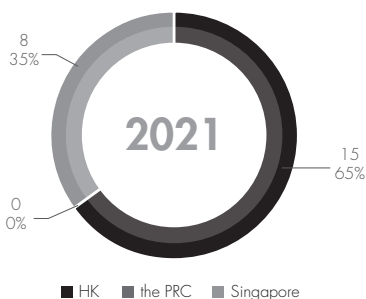
Total workforce by gender
(Number of employees)



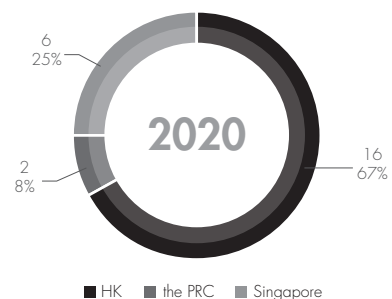
Total workforce by gender
(Number of employees)



Total workforce by geographical location
(Number of employees)



Total workforce by geographical location
(Number of employees)



Turnover

During the Year, 17 employees (2020: 15 employees) left the Group, contributing to a turnover rate of 73.9% (2020: 62.5%).

Summary of employee data		Number of employees resigned in Year 2021	Turnover rates
By gender	Male	13	100.0%
	Female	4	40.0%
By age	Aged 18-25	N/A	N/A
	Aged 26-35	5	125.0%
	Aged 36-45	6	120.0%
	Aged 46-55	3	42.9%
	Aged over 56	3	42.9%
By geographical region	Hong Kong	13	86.7%
	the PRC	2	100.0%
	Singapore	2	25.0%

Note 1: *Turnover rate: number of employees in the specified category resigned during the Year ÷ number of employees in the specified category at the end of the Year x 100%*

B2. EMPLOYEE HEALTH AND SAFETY

Health and safety in the workplace is part of the duty of care for employees. The Group has complied with all laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards, and strives to eliminate any risks associated with the operations. As a responsible employer, the Group is committed to reducing accidents, illness and risks in the workplace, promoting the health of its employees, so as to reduce the absence rate and employee turnover rate. The Group focuses on major areas to minimise occupational hazards and health and safety risks:

- Smoking is strictly prohibited in the office area;
- Employees should carefully check the electric switches, door and window locks, etc. before going off duty to eliminate the hidden dangers;
- No one is allowed to repair electrical appliances or other office equipment without proper training;
- Employees who continue to act in an unsafe manner will face disciplinary actions; and
- Employees must strive to improve the sanitary environment in the workplace and comply with health care and sanitation measures.

During the past three years, the Group did not receive any report of non-compliance cases regarding employee health and safety and did not record any work-related fatalities nor any lost days due to work injuries.



The Group shows its genuine care for its employees. The Group has implemented a pandemic (COVID-19) policy to mitigate the impact of the COVID-19 pandemic. The Group has taken precautionary measures to protect the health of employees:

- Face masks, hand sanitisers and alcohol pads are provided to all employees and available at workplace areas;
- Infrared thermometer is placed at the entrance of the office to monitor the body temperature of employees and visitors;
- Sanitation and space disinfection are frequently carried out to maintain the hygiene of workplace;
- Staff members are encouraged to use on-line meetings instead of face-to-face meetings; and
- Flexible working hours and work-from-home arrangements have been made.

During the Year, no substantial safety hazards are involved within the workplace.

As a general practice, the Group ensures that the first aid kits and medicines are available and placed in offices for any emergencies.

The Group:

- cleans carpets and water dispensers regularly; and
- reviews its health and safety policies and practices regularly.

B3. DEVELOPMENT AND TRAINING

The Group strives to foster a positive working environment where all individuals are supported and given the opportunity to develop to their fullest potential. The Group believes that having a team of talents cultivated by themselves is a key for an enterprise to develop sustainably.

In order to achieve that, the Group offers opportunities for employees to develop their knowledge and skills in personal and professional trainings, through:

- peer learning and on-the-job coaching;
- reimbursing employees the fee of external training courses to enhance their competencies in performing their jobs; and
- providing paid sabbatical leaves, such as for attending examinations or acquiring professional qualifications, which are relevant to the industries or job positions.

The Group continually reviews training and education needs of employees, assists employees to plan their career development, and encourages employees to participate in professional lectures, seminars and training courses to enhance their ability.

Percentage of Employees Trained and Average Training Hours Completed

The Group has actively encouraged professional staff to participate in continuous professional development to maintain and improve their work skills and knowledge. The staff received a total of 115.8 training hours during the Year, and details of training hours (categorised by gender and employee category) are shown below:

Occupational training data		2021
Percentage of employees trained by gender	Male	30.8%
	Female	10.0%
Percentage of employees trained by employee category	Senior management	20.0%
	Middle management	40.0%
	Frontline & other staff	0%
Training hours of employees by gender	Male	73.8
	Female	42.0
Training hours of employees by employee category	Senior management	21.8
	Middle management	94.0
	Frontline & other staff	0
Average training hours of employees by gender	Male	5.7
	Female	4.2
Average training hours of employees by employee category	Senior management	4.4
	Middle management	9.4
	Frontline & other staff	0

B4. LABOUR STANDARDS

Labour Practice and Employment

The Group highly values and protects our employees' human rights and benefits. It has strictly complied with all legal regulations and has implemented a series of internal policies laid down by our human resources department. In line with the employment laws in Hong Kong and Singapore, all employees of the Group in Hong Kong are covered by the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) and Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong); all the employees in Singapore are covered by Employment Act (Chapter 91 of the Singapore Statutes) and Central Provident Fund Act (Chapter 36 of the Singapore Statutes).

Remuneration less than the minimum wage are prohibited according to the relevant local and national laws and regulations.

Measures Taken to Avoid Child and Forced Labour

The Group strictly abides by the relevant employment and labour laws and regulations and has never employed any child labour or forced labour. The Group ensures that its employees enjoy their fundamental rights related to labour. The Group monitors the recruitment process frequently to prevent the occurrence of illegal conduct.

The Group did not discover any material non-compliance matters of labour rights and labour-related laws and regulations during the Year.



B5. SUPPLY CHAIN MANAGEMENT

Supplier Identification, Evaluation and Selection

The supply chain of the Group comprises mainly of equipment and service providers for the telecommunication business and vendors for office equipment.

The selection criteria of suppliers should be objective and quantifiable, so as to ensure that the process of supplier selection is fair and equitable. The factors to be considered in the supplier selection include price, quality, delivery reliability, anti-corruption, after-sales service, etc. These processes help to identify the most suitable supplier and maximise the economic benefits of the Group.

During the Year, the number of suppliers is listed as below:

Number of suppliers by region	2021
Singapore	56
Hong Kong	13
Malaysia	2
Thailand	2
Bulgaria	1
Myanmar	1
New Zealand	1
Switzerland	1
	77

Supplier Monitoring

The Group adheres to good communication, effective cooperation and joint development with suppliers when engaging its suppliers. By maintaining close and frequent communications, the Group is able to strengthen its cooperation and trust with suppliers, so as to enhance the Group's capability to request environmentally friendly products from suppliers.

The Group is not aware that any of these suppliers will constitute significant environmental and social risks to its businesses. The Group strives to provide quality services to its customers and has complied with the relevant laws and regulations.

The Group pays attention to the environmental awareness of its suppliers and prefers to engage suppliers who endeavour to reduce carbon emissions from their operations.

B6. PRODUCT/SERVICE RESPONSIBILITY

The Group aims to provide high value-added telecommunication services with the highest degree of integrity to clients at competitive rates.

Intellectual Property

No significant issue related to intellectual property rights was noted for the Year. However, the Group is aware that relevant steps should be taken to follow all relevant regulations in order to protect intellectual properties which belong to itself or any other third parties. The Group follows the legitimate intellectual property application procedures in Hong Kong for its new logo and trademark. All of the software and information used in our daily business operations are with legal licenses and we only procure genuine products.

Quality Assurance

To improve and maintain the quality of products and services provided, the Group pays attention to all complaints received via established communication channels, and reviews customers' opinions and comments regarding the products sold. Based on such feedbacks, the Group carries out investigations, writes reports and takes corrective measures to ensure that the quality of its products are top-notch.

During the Year, there were no products recalled for safety and health reasons. Recall procedures are considered not material to the Group due to its nature of products and services provided. The Group did not violate or breach any laws and regulations relating to product responsibility.

Data Protection

Protecting data privacy of customers is one of the Group's priorities. In order to protect personal information and prevent information leakage, the Group has implemented a number of measures in regard of data privacy.

At the operational level, data-protection software is installed on employees' computers. The software requires employees to renew their login passwords after certain intervals, and carries out regular updates on its own. The computer system is kept secured from cyber-attacks by installation of firewall.

At the corporate level, the Group is also committed to safeguarding data protection. Unauthorised access to customer information is prohibited by restricting access to the database, which is controlled by granting rights only after careful examination and assigning them to designated management staff.

Regarding paper documents, the Group adopts control to ensure secured access. Shredding facilities are available for the destruction of confidential paper documents.

During the Year, the Group has complied with Personal Data (Privacy) Ordinance of Hong Kong (Chapter 486 of the Laws of Hong Kong) and the relevant laws and regulations of different countries. The Group was not aware of any circumstances of customers' personal data being stolen, altered, damaged or leaked out during the Year.

Handling of Complaints

The Group has established policies and procedures for handling complaints including reviewing all customer complaints, collecting evidence and providing feedback and suggestions on general complaints.

During the Year, there were a total of 381 complaints and 366 complaints having been handled and resolved respectively. The remaining complaints were in the progress of being resolved as at the end of the Year. Upon receive the complaints, the Group will investigate in a timely manner and take corrective measures accordingly. Further actions to improve our operating procedures and services will be taken if necessary.

B7. ANTI-CORRUPTION

The Group maintains and effectively implements a comprehensive system of internal control and stringent policies for anti-corruption, and is committed to preventing and monitoring any malpractices or unethical practice.

The Group is in compliance with all applicable anti-bribery and corruption laws including the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) in Hong Kong as well as all the relevant anti-corruption laws in Singapore. The Group has also applied the Corporate Governance Code as the basis in formulating the internal rules and regulations for integrity discipline and clean administration. The Group will adhere to its corporate ethics and uphold its reputation to prevent corruption.



Preventive Measures and Whistle-blowing Procedures

To prevent corruptive practices and raise employees' awareness regarding such matter, the expectations and appropriate procedures of engaging third parties, and standards relating to anti-bribery and anti-corruption are set out in the anti-corruption and bribery policy of the Group (the "**Anti-corruption and Bribery Policy**").

The Anti-corruption and Bribery Policy covers definitions and requirements concerned with various topics, including but not limited to those related to:

- Avoidance of conflict of interest and standards of integrity;
- No attempt to circumvent any anti-corruption and bribery provisions; and
- Restrictions on the offer, solicitation or acceptance of advantages.

Employees, who are found breaching the Group's code and policies will be investigated and may be subject to warning, suspension, termination of contract, dismissal and disciplinary discharge.

In addition, a whistleblowing policy has been established to provide employees with guidance and channels for the reporting of fraud, corruption, bribery, criminal offences, conflict of interest and other non-compliances with the laws, regulations and internal controls or other forms of misconducts without fear of adverse consequences.

The policy provides a set of transparent and confidential procedures for dealing with the concerns raised by each employee and is fully supported by management and approved by the Board.

Suspected non-compliance issues may be reported to the head of department who is also required to notify any concerns to the Audit Committee on a timely basis. According to this policy, the identities of employees who reported in good faith will be kept confidentially and protected by the Group without any form of retaliation, harassment or victimization.

During the Year, there were no violations of laws and regulations related to bribery, extortion, fraud and money laundering. The Group was not involved in any corruption litigation.

Anti-corruption training material had been circulated among all Directors and employees of the Group during the Year in accordance with the applicable laws of the relevant jurisdictions to enhance their knowledge and awareness on such issue.

B8. COMMUNITY INVESTMENT

The Group believes that running a successful business is about achieving economic viability and fulfilling social responsibility. Therefore, it strives to nurture a culture of care and mutual support amongst its employees and encourages them to participate in volunteer work. In particular, the Group focuses on addressing the environmental concerns by encouraging its employees to participate in recycling activities. The Group will continue to review its policies and explore potential areas of contribution for community investment, sponsorship and donation activities.



DIRECTORS' REPORT

The Board is pleased to present this annual report together with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Company's subsidiaries are the provision of telecommunication and related services, information technology, financial solution and software development services, distribution business and property investment business. A list of the Company's principal subsidiaries as of 31 December 2021 and their particulars are set out in note 18 to the consolidated financial statements.

BUSINESS REVIEW

The business review of the Company for the Year is set out in the sections headed "Financial Highlights", "Chairman's Statement", "Business Review", "Financial Review", "Corporate Governance Report" and "Environmental, Social and Governance Report" on page 3, page 4, pages 5 to 7, pages 8 to 10, pages 13 to 25 and pages 26 to 43 respectively of this annual report. An analysis of the Group's performance for the Year by segment is set out in note 6 to the consolidated financial statements.

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last five financial years is set out on page 145 of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

For the Year, the aggregate revenue attributable to the five largest customers of the Group accounted for approximately 72.5% of the Group's total revenue, with the largest customer accounting for approximately 20.3% of the Group's total revenue.

For the Year, the aggregate purchases attributable to the five largest suppliers of the Group accounted for approximately 81.3% of the Group's total purchases, with the largest supplier accounting for approximately 21.4% of the Group's total purchases.

During the Year, none of the Directors or any of their close associates or any shareholder (which to the knowledge of the Directors own more than 5% of the Company's total issued share capital) had any interests in any of the Group's five largest customers or suppliers mentioned above.

PROPERTY, PLANT AND EQUIPMENT

Details of movements of the property, plant and equipment of the Group during the Year are set out in note 13 to the consolidated financial statements.

INVESTMENT PROPERTIES

Details of the investment properties held by the Group during the Year are set out in note 15 to the consolidated financial statements.

RESULTS

The Group's results for the Year are set out in the consolidated statement of profit or loss on pages 59 to 60 of this annual report.

DIVIDEND AND DIVIDEND POLICY

The Board does not recommend the payment of a final dividend for the Year (2020: Nil).

The Company has a dividend policy which sets out the principles and guidelines in relation to the declaration, payment and distribution of the Company's net profits as dividends to its shareholders. Pursuant to the Company's dividend policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall consider the following factors: (a) the Group's actual and expected financial results, (b) the Group's working capital requirements, capital expenditure requirements and future expansion plans, (c) the Group's liquidity position, (d) contractual restrictions on payment of dividends by the Group to its shareholders, (e) the general economic conditions and other external factors that may have an impact on the future business and financial performance of the Group, and (f) any other factors that the Board may consider relevant. The payment of the dividend by the Company is also subject to any restrictions under the Bye-laws, the Companies Act 1981 of Bermuda and other applicable laws and regulations. The Board shall review the dividend policy as appropriate from time to time.

RESERVES

Details of the movements in the reserves of the Company and the Group during the Year are set out in note 35(A) to the consolidated financial statements and the consolidated statement of changes in equity on page 64 of this annual report respectively.

As at 31 December 2021 and 2020, there were no reserves available for distribution to shareholders of the Company.

SHARE CAPITAL

Details of movements in share capital of the Company are set out in note 30 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme (the "Share Option Scheme") of the Company disclosed in the section headed "Share Option Scheme" below, no equity-linked agreement was entered into by the Company during the Year or subsisted as at 31 December 2021.

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

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

TAX RELIEF

The Company is not aware of any relief from taxation available to shareholders by reason of their holdings in the shares of the Company.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to its existing shareholders.

SHARE OPTION SCHEME

The Share Option Scheme shall be valid and effective for a period of 10 years until 27 June 2028. The maximum number of share options which can be granted under the Share Option Scheme is 105,028,000, representing 10% of the issued shares of the Company as at the date of the adoption of the Share Option Scheme and 6.67% of the issued shares of the Company as at the date of this annual report. A summary of the principal terms of the Share Option Scheme is set out in the circular of the Company dated 28 May 2018 and in note 31 to the consolidated financial statements.

No share option had been granted or agreed to be granted under the Share Option Scheme during the Year and no share options were outstanding as at 31 December 2021. No options were ever granted under the Share Option Scheme.

DIRECTORS

The Directors who were in office during the Year and up to the date of this annual report are:

EXECUTIVE DIRECTORS

Cheung Siu Fai (*Chairman and Acting Chief Executive Officer*)

(appointed as Chairman and Acting Chief Executive Officer with effect from 2 March 2021)

Hui Chun Wai Henry (*appointed with effect from 2 March 2021*)

Lau Wai Yui Jimmy (*appointed with effect from 2 March 2021*)

(resigned with effect from 12 March 2021)

NON-EXECUTIVE DIRECTORS

Zhao Ruiyong (*re-designated with effect from 2 March 2021*)

(removed with effect from 31 May 2021)

Cheung Ka Heng Frankie (*re-designated with effect from 2 March 2021*)

(removed with effect from 31 May 2021)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Fong Wai Ho

Chow Hiu Tung (*appointed with effect from 12 March 2021*)

Cheung Sze Ming (*appointed with effect from 12 March 2021*)

Leung Wai Kei (*resigned with effect from 12 March 2021*)

Lam Chik Shun Marcus (*resigned with effect from 12 March 2021*)

Huang Tao (*resigned with effect from 2 March 2021*)

Biographical details of the Directors as of the date of this annual report are set out in the section headed "Directors' Biographical Details" on pages 11 to 12 of this annual report.

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules, and the Company has assessed their independence and considers all the independent non-executive Directors to be independent.

CHANGES IN INFORMATION OF THE DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors are set out below:

- (a) Mr. Cheung, an executive Director, was appointed as an executive director and the chief executive officer of CTEG on 19 April 2021, and CTEG was delisted from the Main Board of the Stock Exchange with effect from 10 September 2021. Mr. Cheung has resigned as an executive director from CTEG with effect from 19 January 2022. Mr. Cheung has also been an executive director of Shunten International (Holdings) Limited, a company listed on the Stock Exchange (stock code: 932), since 24 January 2022;
- (b) Mr. Hui has resigned from Hammer Capital Asset Management Limited with effect from 30 June 2021;
- (c) Mr. Fong has resigned as an independent non-executive director from CTEG with effect from 15 September 2021 following the delisting of CTEG from the Main Board of the Stock Exchange on 10 September 2021 and has ceased to be a member of CPA Australia with effect from 1 February 2022; and
- (d) Mr. Chow has resigned as an independent non-executive director from State Energy Group International Assets Holdings Limited, a company listed on the Stock Exchange (stock code: 918) with effect from 15 December 2021.

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

DIRECTORS' SERVICE CONTRACTS

Details of the Directors' remuneration are set out in note 11 to the consolidated financial statements.

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2021, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, the "SFO") as required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO, or as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

Name of Director	Capacity	Number of Shares [#] interested	Approximate percentage of shareholding
Cheung Siu Fai	Interest of a controlled corporation	983,080,417 (Note 1)	62.40% (Note 2)

[#] "Shares" means ordinary shares of HK\$0.01 each in the share capital of the Company.

Notes:

- The 983,080,417 Shares are beneficially owned by Beta Dynamic Limited which is wholly and beneficially owned by Mr. Cheung. Mr. Cheung is also the sole director of Beta Dynamic Limited.
- The percentage of shareholding was calculated based on 1,575,420,000 Shares, being the total issued share capital of the Company as at 31 December 2021.

All interests disclosed above represent long positions in the shares of the Company and there were no underlying shares or debentures of the Company held by the Directors or the chief executives of the Company as at 31 December 2021.

INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF ASSOCIATED CORPORATIONS

Name of Director	Name of associated corporation	Capacity	Number of shares held by Director and the percentage of interests in the share capital of the associated corporation
Cheung Siu Fai	Beta Dynamic Limited (Note 3)	Beneficial owner	130,000 shares, 100%

Note:

- Beta Dynamic Limited, which holds more than 50% of the total issued share capital of the Company, is the holding company of the Company and thus an associated corporation of the Company under the SFO.

All interests disclosed above represent long positions.

Save as disclosed above, as at 31 December 2021, none of the Directors or the chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO, or as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither the Company nor any of its subsidiaries was a party to any arrangements to enable Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate at any time during or at the end of the Year.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2021, the interests and short positions of the persons, other than the Directors or the chief executives of the Company, in the shares and underlying shares of the Company as required to be disclosed to the Company under provisions of Division 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of shareholder	Capacity	Number of Shares [#] interested	Approximate percentage of shareholding
Beta Dynamic Limited	Beneficial owner	983,080,417 (Note 1 above)	62.40% (Note 2 above)

[#] "Shares" means ordinary shares of HK\$0.01 each in the share capital of the Company.

All interests disclosed above represent long positions in the shares of the Company.

Save as disclosed above, as at 31 December 2021, no other person, other than the Directors or the chief executives of the Company, had any interests or short positions in the shares and underlying shares of the Company as required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2021, the Group had 23 (2020: 24) employees, including Directors, in Hong Kong, Singapore and the PRC and its total staff costs for the Year were approximately HK\$16.6 million (2020: approximately HK\$14.4 million).

The Group's remuneration policies are formulated on the basis of the performance and experience of individual employees and are in line with local market practices where the Group operates. In addition to salary and bonus payments, the Group also offers other fringe benefits, including provident fund and medical benefits, to employees. A new share option scheme as set out in the above section headed "Share Option Scheme" was adopted by the Company on 28 June 2018 to provide incentive to Directors and employees of the Group. Directors' remuneration is decided by the Remuneration Committee, with regard to the Company's operating results, individual performance and comparable market statistics. The Group also provides relevant trainings to its employees in accordance with the skill requirements of different positions.

RETIREMENT BENEFIT SCHEMES

Details of the Group's retirement benefit schemes are set out in note 3 to the consolidated financial statements.



PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws, each Director or other officer of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which he or she shall or may incur or sustain in or about the execution and discharge of his or her duties or in relation thereto. The Company has maintained appropriate directors and officers liability insurance that provides such indemnities to all Directors and other officers of the Company.

MANAGEMENT CONTRACT

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the Year.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed below, no transaction, arrangement or contract that is significant in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or a connected entity of a Director had, directly or indirectly, a material interest subsisted at any time during or at the end of the Year.

FORMATION OF JOINT VENTURE

B&R Investment (a wholly-owned subsidiary of the Company until it was fully disposed by the Company on 19 March 2021) and Zhejiang Qingfeng Yuansheng Culture Limited* (浙江清風原生文化有限公司) (formerly known as Great Wall Film & Culture Company Group Limited* (長城影視文化企業集團有限公司)) ("**Great Wall Group**"), a company owned by Mr. Zhao Ruiyong as to 66.67%, entered into a joint venture agreement (the "**JV Agreement**") on 8 September 2017 pursuant to which they formed a joint venture company, namely Wusu Silk Road Small Towns Cultural Tourism Company Limited* (烏蘇絲路小鎮文旅有限公司) ("**Wusu Company**"). Wusu Company is owned as to 25% by B&R Investment and 75% by Great Wall Group. The registered capital of Wusu Company is RMB200,000,000. Pursuant to the JV Agreement, B&R Investment had contributed RMB50,000,000 to Wusu Company.

The Company disposed of the entire issued share capital of B&R Investment on 19 March 2021.

Please refer to the announcements of the Company dated 8 September 2017, 20 November 2020 and 19 March 2021 and the circulars dated 8 December 2017 and 24 February 2021 respectively for further details.

* for identification purpose only

DIRECTORS' LOANS

On 30 August 2019, the Company and certain Directors entered into the following loan agreements:

1. the loan agreement entered into between the Company and Mr. Zhao Ruiyong, pursuant to which Mr. Zhao Ruiyong agreed to provide a loan in the principal amount of not exceeding HK\$38,000,000 to the Company. The repayment date of the loan is 31 March 2021. The loan is interest-free and the Company is not required to provide any security or guarantee in respect of the loan. As at 31 December 2021, the Company had drawn approximately HK\$2,378,000 under this loan agreement. The repayment of the said loan has been set aside pending the resolution of matters between the Group and Mr. Zhao Ruiyong.
2. the loan agreement entered into between the Company and Ms. Li Bing, pursuant to which Ms. Li Bing agreed to provide a loan in the principal amount of not exceeding HK\$500,000 to the Company. The repayment date of the loan is 31 December 2019. The loan is interest-free and the Company is not required to provide any security or guarantee in respect of the loan. As at 31 December 2020, the Company had drawn HK\$440,000 under this loan agreement. The Company had fully repaid the loan during the Year and there was no outstanding amount in relation to the loan as at 31 December 2021.
3. the loan agreement entered into between the Company and Mr. Cheung Ka Heng Frankie, pursuant to which Mr. Cheung Ka Heng Frankie agreed to provide a loan in the principal amount of not exceeding HK\$2,000,000 to the Company. The repayment date of the loan is 31 December 2019. The loan is interest-free and the Company is not required to provide any security or guarantee in respect of the loan. The maximum principal amount of the loan was increased to HK\$2,500,000 and the repayment date was extended to 31 January 2020 pursuant to a supplemental agreement entered into on 23 December 2019. The maximum principal amount was further increased to HK\$3,000,000 pursuant to the second supplemental agreement entered into on 13 January 2020. Pursuant to the third supplemental agreement entered into on 17 February 2020, the maximum loan amount was increased to HK\$3,200,000 and the repayment date was extended to 29 February 2020. As at 31 December 2021, the Company had drawn the entire loan facility in full and overdrawn an additional HK\$133,000 which was also interest-free. The repayment of the said loan has been set aside pending the resolution of matters between the Group and Mr. Cheung Ka Heng Frankie.

On 19 October 2020, the Company and Mr. Cheung Siu Fai entered into a loan agreement pursuant to which Mr. Cheung Siu Fai agreed to provide an unsecured loan in the principal amount of up to HK\$10,000,000 to the Company with interest accruing at the rate of 12% per annum. The principal and interest accrued under the loan are repayable on demand. As at 31 December 2020, the Company had drawn the entire loan facility in full. The Company had fully repaid the loan during the Year and there was no outstanding amount in relation to the loan as at 31 December 2021.

On 26 August 2021, the Company and Mr. Cheung Siu Fai entered into another loan agreement pursuant to which Mr. Cheung Siu Fai agreed to provide an unsecured loan in the principal amount of up to HK\$10,500,000 to the Company with interest accruing at the rate of 9.8% per annum. The principal and interest accrued under the loan are repayable on demand. The Company had drawn the entire loan facility in full and subsequently had fully repaid the loan during the Year. There was no outstanding amount in relation to the loan as at 31 December 2021.

Each of Mr. Zhao Ruiyong (re-designated as a non-executive Director with effect from 2 March 2021 and removed with effect from 31 May 2021), Ms. Li Bing (resigned with effect from 9 November 2020), Mr. Cheung Ka Heng Frankie (re-designated as a non-executive Director with effect from 2 March 2021 and removed with effect from 31 May 2021) and Mr. Cheung Siu Fai was an executive Director at the time when they signed the relevant loan agreements. Therefore, the above loan agreements constituted connected transactions of the Company under Chapter 14A of the Listing Rules. Since the above loans are conducted on normal commercial terms or better and are not secured by any assets of the Group, pursuant to Rule 14A.90 of the Listing Rules, these loans are fully exempt from the announcement and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the Directors' loans set out above are also disclosed in notes 25(d) to the consolidated financial statements.

RELATED PARTY TRANSACTIONS

The related party transactions entered into by the Company and subsisting during the Year are set out in note 34 to the consolidated financial statements. Other than the transactions referred to in notes 21(b), 25(d) and 34(C) to the consolidated financial statements, the related party transactions do not fall under the definition of "connected transaction" or "continuing connected transaction" under Chapter 14A of the Listing Rules.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules during the Year.

RIGHTS ISSUE IN 2021

RIGHTS ISSUE IN MAY 2021

To reduce the financial indebtedness and improve the liquidity of the Group, on 11 May 2021, the Company announced the May Rights Issue of up to 262,570,000 rights shares at a subscription price of HK\$0.15 per rights share on the basis of one (1) rights share for every four (4) shares held by the qualifying shareholders on the record date of 31 May 2021. Based on the closing price of HK\$0.185 per share as quoted on the website of the Stock Exchange on 11 May 2021, the market value of the 262,570,000 rights shares was HK\$48,575,450. On 25 June 2021, the May Rights Issue was completed and an aggregate of 262,570,000 rights shares (with an aggregate nominal value of HK\$2,625,700) were issued by the Company to the relevant shareholders. Details of the May Rights Issue are set out in the Company's announcements dated 11 May 2021 and 24 June 2021, and the Company's prospectus dated 2 June 2021 respectively. Upon completion of the May Rights Issue on 25 June 2021, the Company received net cash proceeds of approximately HK\$38.0 million (the "**May Net Proceeds**"). The net subscription price is approximately HK\$0.145 per rights share. The intended use and actual use of the May Net Proceeds are set out below:

Breakdown	Intended use of the May Net Proceeds HK\$'million (approximately)	Actual use of the May Net Proceeds as at 31 December 2021 HK\$'million (approximately)	Remaining balance HK\$'million (approximately)	Progress
Repayment of loans and borrowings of the Group:				
– owing to Mr. Cheung Siu Fai	10.2 (Note 1)	10.2	–	
– owing to a licensed money lending company which is an independent third party	5.1 (Note 2)	5.1	–	
– owing to Mr. Cheung Ka Heng Frankie	3.3	–	3.3	The Net Proceeds earmarked for the repayment of the interest-free amounts of approximately HK\$5.7 million in aggregate owing to Mr. Cheung Ka Heng Frankie and Mr. Zhao Ruiyong have been set aside pending the resolution of matters between the Group and those two former non-executive Directors.
– owing to Mr. Zhao Ruiyong	2.4	–	2.4	
General working capital, including operating and administrative expenses, salary and rental expenses	17.0	10.8	6.2	To be used as intended by April 2022.
	38.0	26.1	11.9	

Notes:

1. comprising of outstanding principal of HK\$10 million and unpaid interest accrued thereon at 12% per annum.
2. comprising of outstanding principal of HK\$5 million and unpaid interest accrued thereon at 15% per annum.

RIGHTS ISSUE IN NOVEMBER 2021

To enhance the financial position of the Group and invest in businesses that can complement and/or expand the Group's core business, on 7 October 2021, the Company announced the November Rights Issue of up to 262,570,000 rights shares at a subscription price of HK\$0.10 per rights share on the basis of one (1) rights share for every five (5) shares held by the qualifying shareholders on the record date of 10 November 2021. Based on the closing price of HK\$0.131 per share as quoted on the website of the Stock Exchange on 7 October 2021, the market value of the 262,570,000 rights shares was HK\$34,396,670. On 6 December 2021, the November Rights Issue was completed and an aggregate of 262,570,000 rights shares (with an aggregate nominal value of HK\$2,625,700) were issued by the Company to the relevant shareholders. Details of the November Rights Issue are set out in the Company's announcements dated 7 October 2021 and 3 December 2021, and the Company's prospectus dated 12 November 2021 respectively. Upon completion of the November Rights Issue on 6 December 2021, the Company received net cash proceeds of approximately HK\$25.0 million (the "**November Net Proceeds**"). The net subscription price is approximately HK\$0.095 per rights share. The intended use and actual use of the November Net Proceeds are set out below:

Breakdown	Intended use of the November Net Proceeds HK\$'million (approximately)	Actual use of the November Net Proceeds as at 31 December 2021 HK\$'million (approximately)	Remaining balance HK\$'million (approximately)	Progress
Funding tender submissions, supplier deposits and other payments for projects awarded to the Group's telecommunication business	2.1	–	2.1	A portion will be used after finalising customers' requirements under an awarded tender by December 2022; and the remaining balance earmarked for subsequent pending tender(s) in the future.
Repayment of loan owing to Mr. Cheung Siu Fai	10.8 (Note 3)	10.8	–	
General working capital, including operating and administrative expenses, salary and rental expenses	5.1	–	5.1	To be used as intended during the period from 1 May 2022 to 31 July 2022.
Future investment opportunities	7.0	–	7.0	To be used as intended by December 2022.
	25.0	10.8	14.2	

Note:

3. comprising of outstanding principal of HK\$10.5 million and unpaid interest accrued thereon at 9.8% per annum.

RELATIONSHIP WITH CUSTOMERS

Maintaining and consolidating its relationship with customers is crucial to increasing the profits of the Company. When entering into business relationship with customers, the Group has adopted various methods to collect and report their needs and expectations and taken proactive and corresponding measures for improvement. The results of such measures were reviewed and feedbacks were provided to the customers. The main duties include recording verbal feedbacks, opinions, suggestions, complaints or praises of customers when communicating with the customers.

RELATIONSHIP WITH SUPPLIERS

On one hand, we maintain a good relationship with suppliers with a focus on services and addressing issues through cooperation and negotiation as well as sharing cost to create a long-term win-win situation.

On the other hand, we maintain moderate "competition" with suppliers. As counterparties to transactions, we have had multiple negotiations regarding transaction price due to the parties both being insistent on matters related to their principles. We have established a management mechanism system for suppliers to reduce procurement cost.



KEY RELATIONSHIPS WITH STAKEHOLDERS

The Group recognises that employees, customers, business associates and the local community are key stakeholders of the Group's success. The Group has put effort to achieve corporate sustainability through engaging employees, providing quality services to customers and collaborating with business associates (including suppliers and contractors) to deliver sustainable products and services and support the local community.

For more detailed information, please refer to the "Environmental, Social and Governance Report" on pages 26 to 43 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, at least 25% of the Company's total issued share capital is held by the public as required under the Listing Rules.

CHANGE OF COMPANY NAME

With effect from 11 June 2021, the English name and the Chinese secondary name of the Company have been changed from "Great Wall Belt & Road Holdings Limited" and "長城一帶一路控股有限公司" to "Great Wall Terroir Holdings Limited" and "長城天下控股有限公司" respectively (the "Change of Company Name").

The Change of Company Name was approved by shareholders of the Company at the 2021 AGM. The Certificate of Change of Name and the Certificate of Secondary Name were issued by the Registrar of Companies in Bermuda on 11 June 2021. The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 13 July 2021 confirming the registration of the new name of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). The stock short names of the Company for trading in the shares of the Company on the Stock Exchange were changed from "GREAT WALL B&R" to "GW TERROIR" in English and from "長城一帶一路" to "長城天下" in Chinese with effect from 29 July 2021.

The Board believes that the new company name will provide the Company with a fresh corporate image which can benefit the future business development of the Company.

EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant subsequent events of the Group requiring disclosure after the reporting period and up to the date of this annual report.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 20 November 2020, the Company (as vendor) entered into a sale and purchase agreement with Vantage Network Global Limited (as purchaser) for the disposal of the entire issued share capital of B&R Investment for an aggregate consideration of RMB47,500,000 (equivalent to approximately HK\$56,288,000). The disposal was completed on 19 March 2021 and the Company ceased to have any equity interest in B&R Investment.

Please refer to the announcements of the Company dated 20 November 2020 and 19 March 2021 and the circular dated 24 February 2021 respectively for further details.

On 3 March 2021, the Company (as purchaser) and Ritzy Soar Limited (as vendor) (the "Vendor") entered into a provisional sale and purchase agreement, pursuant to which the Company has conditionally agreed to buy and the Vendor has conditionally agreed to sell the entire issued share capital of Palico Development Limited (the "Target Company") and a loan payable by the Target Company to the Vendor as at the date of completion of the acquisition for an aggregate consideration of HK\$51,750,000, subject to adjustments. The Company has exercised its right to defer the completion of the Palico Acquisition from 5 July 2021 to 3 September 2021. The acquisition was completed on 3 September 2021 and the Target Company has become a wholly-owned subsidiary of the Company.

Please refer to the announcements of the Company dated 3 March 2021, 5 July 2021 and 3 September 2021 and the circular dated 25 May 2021 respectively for further details.

AUDITOR

Confucius International CPA Limited (“**Confucius**”) was appointed as auditor of the Company on 11 December 2020 to fill the vacancy occasioned by the resignation of Mazars CPA Limited with effect from 8 December 2020. Save for the above, there has been no changes in the auditor of the Company in any of the preceding three years.

The financial statements for the Year have been audited by Confucius, which will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE

The Group is committed to achieving high standards of ESG performance and meeting all applicable legal requirements in the markets where we operate. This is an important foundation for the Group to engage with our stakeholders and grow our business responsibly and sustainably. In addition, the Group attaches great importance to the employee development, environmental protection and supplier management.

Over the years, the Group has made considerable endeavours in reducing waste in the course of its operations. Since 2015, the Company has participated in the “Wastewi\$e Certificate” of the Hong Kong Green Organisation Certification, which is a recognition scheme established by, among others, the Environmental Protection Department and Environmental Campaign Committee to encourage Hong Kong businesses and organisations in adopting structured measures to reduce the amount of waste generated within their establishments or generated through the services and products they provide.

More information about the Group’s ESG performance is set out in the section headed “Environmental, Social and Governance Report” on pages 26 to 43 of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group is subject to various laws and regulations including the Companies Law of Bermuda, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong), Telecommunications Ordinance (Cap. 106), Personal Data (Privacy) Ordinance (Cap. 486) and Employment Ordinance (Cap. 57), and, with respect to Singapore, Telecommunications Act (Cap. 323), Info-communications Media Development Authority Act 2016, Personal Data Protection Act 2012, Companies Act (Cap. 50) and Employment Act (Cap. 91), and, with respect to both, the Listing Rules. All these laws, rules and regulations have significant impact on the Group’s business operation in Hong Kong and Singapore during the Year. Through the implementation of internal controls and approval procedures, the Group has complied in all material respects with relevant laws and regulations that have significant impact on the operations of the Group for the Year.

On behalf of the Board

Cheung Siu Fai

Chairman and Executive Director

Hong Kong, 24 March 2022

INDEPENDENT AUDITOR'S REPORT



天健國際會計師事務所有限公司

Confucius International CPA Limited

Certified Public Accountants

香港灣仔莊士敦道181號大有大廈15樓1501-08室
Rooms 1501-08, 15th Floor, Tai Yau Building,
181 Johnston Road, Wanchai, Hong Kong
電話 Tel: (852) 3103 6980
傳真 Fax: (852) 3104 0170

TO THE MEMBERS OF GREAT WALL TERROIR HOLDINGS LIMITED (FORMERLY KNOWN AS GREAT WALL BELT & ROAD HOLDINGS LIMITED)

長城天下控股有限公司

(前稱長城一帶一路控股有限公司)

(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Great Wall Terroir Holdings Limited (“**the Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 59 to 144, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the 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 judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of investment properties</p> <p>Refer to note 15 to the consolidated financial statements.</p> <p>The Group had investment properties held by subsidiaries of HK\$53,000,000 as at 31 December 2021 for which a gain arising on change in fair value was recognised and presented as “Fair value gain on investment properties” in the consolidated statement of profit or loss and other comprehensive income. The fair value was determined by management with reference to the valuations performed by independent professional property valuers (the “Valuers”) engaged by the Group.</p> <p>The valuations of investment properties involved significant judgements and estimates including:</p> <ul style="list-style-type: none"> – the determination of valuation techniques, which included direct comparison approach and income capitalization approach; – assumptions of market conditions; and – the selection of different inputs in the models. <p>We found the key assumptions used in management’s valuations of investment properties were supported by the available evidence.</p>	<p>Our procedures in relation to the valuations of the investment properties included:</p> <ul style="list-style-type: none"> – evaluating the competence, capabilities, independence and objectivity of the Valuers; – obtaining and reviewing the valuation reports prepared by the Valuers; – discussing the valuations with management and the Valuers and challenging the key estimates adopted and inputs used in the valuations, including those relating to market selling prices, market rents and capitalisation rates, by comparing them with historical rates and market observable data; – evaluating the valuation methodologies used and the appropriateness of the key assumptions and parameters based on our knowledge of other property valuations for similar types of properties; and – checking the accuracy and relevance of the input data used in the valuations on a sample basis.



OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the 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.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that are 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.

Confucius International CPA Limited

Certified Public Accountants

YIP YUEN NGA

Practising Certificate Number: P05908

Hong Kong

24 March 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021



	<i>Notes</i>	2021 HK\$'000	2020 HK\$'000
Revenue	<i>5</i>		
– Contracts with customers		103,177	72,376
– Leases		336	–
Total revenue		103,513	72,376
Cost of services		(98,668)	(66,623)
Gross profit		4,845	5,753
Other income, gains and losses	<i>7</i>	14,463	41,682
		19,308	47,435
Selling and distribution expenses		(501)	(944)
Operation and administrative expenses		(31,211)	(25,169)
(Loss) profit from operations		(12,404)	21,322
Reversal of (loss) allowances on			
– Trade receivables	<i>39(c)</i>	274	(515)
– Other receivables	<i>39(c)</i>	(276)	(3,282)
Write-off of trade receivables		(981)	–
Write-off of other receivables		(571)	–
Write-off of financial assets at fair value through profit or loss (“FVTPL”)		(425)	–
Net unrealised loss on financial assets at FVTPL		(308)	(552)
Loss on disposal of a subsidiary	<i>29</i>	(5,962)	–
Finance costs	<i>8(a)</i>	(1,263)	(192)
(Loss) profit before taxation	<i>8</i>	(21,916)	16,781
Income tax (expense) credit	<i>9</i>	(57)	103
(Loss) profit for the year		(21,973)	16,884



CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

	<i>Note</i>	2021 HK\$'000	2020 HK\$'000
(Loss) profit for the year attributable to:			
Owners of the Company		(21,973)	16,851
Non-controlling interests		–	33
(Loss) profit for the year		(21,973)	16,884
		HK cents	HK cents (restated)
(Loss) earnings per share			
Basic and diluted	12	(1.8)	1.6

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021



	2021 HK\$'000	2020 HK\$'000
(Loss) profit for the year	(21,973)	16,884
Other comprehensive income (expense) for the year		
<i>Item that will not be subsequently reclassified to profit or loss:</i>		
Designated fair value through other comprehensive income ("FVTOCI")		
– net movement in investment revaluation reserve	808	(261)
<i>Items that are or may be subsequently reclassified to profit or loss:</i>		
Exchange differences on translation of foreign subsidiaries	473	2,975
Release of exchange reserves upon disposal of a subsidiary	2,753	–
Other comprehensive income for the year	4,034	2,714
Total comprehensive (expense) income for the year	(17,939)	19,598
Total comprehensive (expense) income for the year attributable to:		
Owners of the Company	(17,801)	19,731
Non-controlling interests	(138)	(133)
Total comprehensive (expense) income for the year	(17,939)	19,598

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

	<i>Notes</i>	2021 HK\$'000	2020 HK\$'000
Non-current assets			
Property, plant and equipment	13	65	154
Right-of-use assets	14	–	–
Investment properties	15	53,000	–
Intangible assets	16	–	–
Interest in associates	17	–	–
Designated FVTOCI	19	2,064	2,123
Other receivables	21	435	–
		55,564	2,277
Current assets			
Trade and other receivables	21	8,287	12,343
Contract costs	22	31	–
Tax recoverable		58	55
Financial assets at FVTPL	20	163	896
Pledged bank deposits	23	669	755
Bank balances and cash	24	30,663	33,238
		39,871	47,287
Assets classified as disposal group held for sale		–	59,188
		39,871	106,475
Current liabilities			
Trade and other payables	25	27,421	85,443
Tax payables		83	–
Lease liabilities	26	793	932
		28,297	86,375
Liabilities classified as disposal group held for sale		–	166
		28,297	86,541
Net current assets		11,574	19,934
Total assets less current liabilities		67,138	22,211
Non-current liabilities			
Deferred tax liabilities	27	195	–
Lease liabilities	26	–	714
Other payables	25	395	–
		590	714
Net assets		66,548	21,497

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

	<i>Note</i>	2021 HK\$'000	2020 HK\$'000
Capital and reserve			
Share capital	30	15,755	10,503
Reserves		54,180	14,243
Equity attributable to owners of the Company		69,935	24,746
Non-controlling interests		(3,387)	(3,249)
Total equity		66,548	21,497

The consolidated financial statements on pages 59 to 144 were approved and authorised for issue by the board of directors of the Company on 24 March 2022 and are signed on its behalf by:

Mr. Cheung Siu Fai
DIRECTOR

Mr. Hui Chun Wai Henry
DIRECTOR

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Attributable to owners of the Company											
	Reserves											Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Investment revaluation reserve (Non-recycling) HK\$'000	Capital redemption reserve HK\$'000	Capital reserve HK\$'000	Contributed surplus HK\$'000	Accumulated losses HK\$'000	Total reserves HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	
At 1 January 2020	10,503	290,303	(5,479)	(5,502)	25	(64)	83,489	(368,260)	(5,488)	5,015	(3,116)	1,899
Profit for the year	-	-	-	-	-	-	-	16,851	16,851	16,851	33	16,884
Other comprehensive (expense) income for the year												
<i>Item that will not be subsequently reclassified to profit or loss:</i>												
Fair value loss of designated FVTOCI	-	-	-	(261)	-	-	-	-	(261)	(261)	-	(261)
<i>Item that are or may be subsequently reclassified to profit or loss:</i>												
Exchange differences on translation of foreign subsidiaries	-	-	3,141	-	-	-	-	-	3,141	3,141	(166)	2,975
Total other comprehensive income (expense) for the year	-	-	3,141	(261)	-	-	-	-	2,880	2,880	(166)	2,714
Total comprehensive income (expense) for the year	-	-	3,141	(261)	-	-	-	16,851	19,731	19,731	(133)	19,598
At 31 December 2020 and 1 January 2021	10,503	290,303	(2,338)	(5,763)	25	(64)	83,489	(351,409)	14,243	24,746	(3,249)	21,497
Loss for the year	-	-	-	-	-	-	-	(21,973)	(21,973)	(21,973)	-	(21,973)
Other comprehensive income (expense) for the year												
<i>Item that will not be subsequently reclassified to profit or loss:</i>												
Fair value gain of designated FVTOCI	-	-	-	808	-	-	-	-	808	808	-	808
<i>Items that are or may be subsequently reclassified to profit or loss:</i>												
Exchange differences on translation of foreign subsidiaries	-	-	611	-	-	-	-	-	611	611	(138)	473
Release of exchange reserves upon disposal of a subsidiary	-	-	2,753	-	-	-	-	-	2,753	2,753	-	2,753
Total other comprehensive income (expense) for the year	-	-	3,364	808	-	-	-	-	4,172	4,172	(138)	4,034
Total comprehensive income (expense) for the year	-	-	3,364	808	-	-	-	(21,973)	(17,801)	(17,801)	(138)	(17,939)
Release of revaluation reserve upon disposal of designated FVTOCI	-	-	-	(781)	-	-	-	781	-	-	-	-
Issue of new shares under rights issue, net of share issue expenses	5,252	57,738	-	-	-	-	-	-	57,738	62,990	-	62,990
	5,252	57,738	-	(781)	-	-	-	781	57,738	62,990	-	62,990
At 31 December 2021	15,755	348,041	1,026	(5,736)	25	(64)	83,489	(372,601)	54,180	69,935	(3,387)	66,548

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021



	Notes	2021 HK\$'000	2020 HK\$'000
Operating activities			
(Loss) profit before taxation		(21,916)	16,781
Adjustments for:			
Interest income		(2)	(518)
Interest expenses	8(a)	1,263	192
Reversal of loss allowances on trade and other receivables		2	3,797
Fair value gain on investment properties	15	(1,111)	–
Depreciation of			
– property, plant and equipment	13	31	190
– right-of-use assets	14	–	176
Impairment losses on property, plant and equipment	13	127	86
Impairment losses on right-of-use assets	14	–	1,632
Write-off of financial assets at FVTPL		425	–
Net unrealised loss on financial assets at FVTPL		308	552
Write-off of trade and other receivables		1,552	–
Write back of trade payables	7	(78)	–
Write back of other payables	7	(12,393)	(1,014)
Loss (gain) on disposal of property, plant and equipment	7	3	(12)
Loss on disposal of a subsidiary	29	5,962	–
Exchange differences		(7)	150
Operating cash flows before movements in working capital		(25,834)	22,012
Decrease (increase) in trade and other receivables		2,009	(2,792)
Increase in contract costs		(31)	–
Decrease in financial assets at FVTPL		–	124
Decrease in trade and other payables		(6,381)	(32,266)
Cash used in operations		(30,237)	(12,922)
Interest received		2	18
Income tax refunded		34	103
Net cash used in operating activities		(30,201)	(12,801)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	<i>Notes</i>	2021 HK\$'000	2020 HK\$'000
Investing activities			
Purchase of property, plant and equipment	13	(24)	(228)
Proceeds from disposal of property, plant and equipment		–	12
Proceeds from disposal of designated FVTOCI		867	–
Release (placement) of pledged deposits, net		75	(8)
Deposit received for disposal of a subsidiary	25	–	28,025
Deposit received		–	100
Net cash inflow from disposal of a subsidiary	29	28,212	–
Net cash outflow from acquisition of a subsidiary	28	(51,750)	–
Net cash (used in) generated from investing activities		(22,620)	27,901
Financing activities			
Loans from directors raised		10,500	13,310
Other borrowings raised		5,000	–
Repayment of due to a former director		(440)	–
Repayment of loans from a director		(20,500)	–
Repayment of other borrowings		(5,000)	–
Proceeds from issuance of new shares under rights issue, net of expenses		62,990	–
Repayment of lease liabilities		(853)	(3,214)
Interest paid		(1,420)	(35)
Net cash generated from financing activities		50,277	10,061
Net (decrease) increase in cash and cash equivalents		(2,544)	25,161
Cash and cash equivalents at 1 January		33,238	6,672
Effect on exchange rate changes on cash and cash equivalents		(31)	1,509
Cash and cash equivalents at 31 December		30,663	33,342
Analysis of the balances of cash and cash equivalents:			
Bank balances and cash		30,663	33,238
Assets classified as disposal group held for sales		–	104

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021



1. GENERAL INFORMATION

Great Wall Terroir Holdings Limited (the “**Company**”) (formerly known as “Great Wall Belt & Road Holdings Limited”) is incorporated in Bermuda as an exempted company with limited liability and its ordinary shares are listed on The Stock Exchange of Hong Kong Limited. The address of the registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the addresses of its principal place of business has been changed from Room 1602, 16/F., COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong to Room 1005, 10/F., Tower Two, Lippo Centre, No. 89 Queensway, Hong Kong since 3 January 2022.

The principal activity of the Company is investment holding. Details of the principal subsidiaries of the Company and their principal activities are disclosed in note 18 to the consolidated financial statements.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company. In addition, the functional currencies of certain group entities that operate outside Hong Kong are determined based on the currency of the primary economic environment in which the group entities operate.

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

AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR

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

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

The amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

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

NEW AND AMENDMENT TO HKFRSs IN ISSUE BUT NOT YET EFFECTIVE

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

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

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

² Effective for annual periods beginning on or after 1 January 2022.

³ Effective for annual periods beginning on or after 1 January 2023.

⁴ Effective for annual periods beginning on or after a date to be determined.

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



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

BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared in accordance with HKFRSs which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) and the applicable disclosures requirements of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The consolidated financial statements have been prepared on the historical cost basis except for financial assets at FVTPL and designated FVTOCI that were measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

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

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

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

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

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

BASIS OF CONSOLIDATION

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

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

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

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

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

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

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



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

BASIS OF CONSOLIDATION *(continued)*

Changes in the Group's interests in existing subsidiaries

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

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

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

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Company's board of directors as its chief operating decision maker.

BUSINESS COMBINATIONS OR ASSET ACQUISITIONS

Optional concentration test

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

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

BUSINESS COMBINATIONS OR ASSET ACQUISITIONS *(continued)*

Asset acquisitions

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

Business combinations

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

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Framework for the Preparation and Presentation of Financial Statements*.

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities.



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

BUSINESS COMBINATIONS OR ASSET ACQUISITIONS *(continued)*

Business combinations *(continued)*

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

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

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

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

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

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

GOODWILL

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

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

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

INVESTMENT IN ASSOCIATES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operation policy decisions of the investee but is not control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is or the portion so classified is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Appropriate adjustments have been made to conform the associate's accounting policies to those of the Group. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.



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

INVESTMENT IN ASSOCIATES *(continued)*

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

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

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell which continue to be measured in accordance with the accounting policies as set out in respective sections.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

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

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group recognises revenue when (or as) a performance obligation is satisfied, that is when “control” of the goods or services underlying the particular performance obligation is transferred to the customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

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

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

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

Contracts with multiple performance obligations

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.



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

REVENUE FROM CONTRACTS WITH CUSTOMERS *(continued)*

Contract costs

Costs to fulfil a contract

The Group incurs costs to fulfil a contract in its service contracts. The Group first assesses whether these costs qualify for recognition as an asset in terms of other relevant standards, failing which it recognises an asset for these costs only if they meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. The asset is subject to impairment review.

LEASES

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of office premises that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

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

LEASES *(continued)*

The Group as a lessee *(continued)*

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

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

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



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

LEASES *(continued)*

The Group as a lessee *(continued)*

Lease liabilities *(continued)*

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

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

The Group as lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Interest and rental income which are derived from the Group's ordinary course of business are presented as revenue.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

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

FOREIGN CURRENCIES

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

Exchange differences on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise except for: exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on the disposal or partial disposal of the Group's interests in associates.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group, that is Hong Kong dollars, using the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation, that is a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals, that is partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and are translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.



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

BORROWING COST

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

RETIREMENT BENEFIT COSTS

The Group other than overseas subsidiaries (including the People's Republic of China (the "PRC")) operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees 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, in accordance with the rules of 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. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group's subsidiary which operates in Singapore are required to contribute to the Central Provident Fund ("CPF") a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to CPF are charged to profit or loss in the period to which the contribution relates.

At the end of the reporting period, the Group had no significant forfeited voluntary contributions which arose as a result of employees leaving the MPF schemes and which are available to reduce the contributions payable by the Group in future years.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

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

SHARE-BASED PAYMENTS

Equity-settled share-based payments transactions

Shares/Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When share options are exercised, the amount previously recognised in share-based payments reserve will be transferred to capital redemption reserve. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will continue to be held in share-based payments reserve/will be transferred to accumulated losses.

When shares granted are vested, the amount previously recognised in share-based payments reserve will be transferred to capital redemption.

TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill.



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

TAXATION *(continued)*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

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

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment including leasehold improvements, equipment, office equipment, furniture and fitting and motor vehicles are held for use in the production or supply of goods or services, or for administrative purposes and stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual value over their estimated useful lives using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

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

INVESTMENT PROPERTIES

Investment properties are properties held to earn rentals and/or for capital appreciation.

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

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

INTANGIBLE ASSETS

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Internal-generated intangible assets – research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria of development activities. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.



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

INTANGIBLE ASSETS *(continued)*

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from the derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

IMPAIRMENT ON TANGIBLE AND INTANGIBLE ASSETS OTHER THAN GOODWILL

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, investment properties and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash generating unit) for which the estimates of future cash flows have not been adjusted.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

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

IMPAIRMENT ON TANGIBLE AND INTANGIBLE ASSETS OTHER THAN GOODWILL *(continued)*

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

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

CONTINGENT ASSETS/LIABILITIES

Contingent assets

Contingent assets arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Group and they are not recognised in the consolidated financial statements. The Group assesses continually the development of contingent assets. If it has become virtually certain that an inflow of economic benefits will arise, the Group recognises the asset and the related income in the consolidated financial statements in the reporting period in which the change occurs.

Contingent liabilities

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

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

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



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

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require the delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

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

FINANCIAL INSTRUMENTS *(continued)*

Financial assets *(continued)*

Classification and subsequent measurement of financial assets *(continued)*

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) *Amortised cost and interest income*

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments subsequently measured at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) *Equity instruments designated as at FVTOCI*

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on the disposal of the equity investments, and will be transferred to accumulated losses.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Other income, gains and losses" line item in profit or loss.



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

FINANCIAL INSTRUMENTS *(continued)*

Financial assets *(continued)*

Classification and subsequent measurement of financial assets *(continued)*

(iii) *Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "Other income, gains and losses" line item.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including bank balance and cash and trade and other receivables) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on trade receivables are assessed individually for debtors with significant balances and/or collectively with internal credit ratings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

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

FINANCIAL INSTRUMENTS *(continued)*

Financial assets *(continued)*

Impairment of financial assets *(continued)*

(i) *Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, for example, a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.



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

FINANCIAL INSTRUMENTS *(continued)*

Financial assets *(continued)*

Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a) significant financial difficulty of the issuer or the borrower;
- b) a breach of contract, such as a default or past due event;
- c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) the disappearance of an active market for that financial asset because of financial difficulties.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

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

FINANCIAL INSTRUMENTS *(continued)*

Financial assets *(continued)*

Impairment of financial assets *(continued)*

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 2 years past due, whichever occurs sooner. Financial assets write-off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default, that is the magnitude of the loss if there is a default, and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in the estimation of ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.



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

FINANCIAL INSTRUMENTS *(continued)*

Financial assets *(continued)*

Derecognition of financial assets *(continued)*

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables are subsequently measured at amortised cost, using the effective interest rate method.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

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

FINANCIAL INSTRUMENTS *(continued)*

Financial liabilities and equity *(continued)*

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

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 the key management personnel of the Group or of a parent of the Group.
- (b) An entity is related to the Group if any of the following conditions applies:
- (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 employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.



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

RELATED PARTIES *(continued)*

(b) An entity is related to the Group if any of the following conditions applies: *(continued)*

- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the 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 personal services to the Group or to the Group's parent.

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.

GOVERNMENT GRANTS

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income or a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants relating to compensation of expenses are deducted from the related expenses, other government grants are presented under "other income, gains and losses".

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent cash at bank and on hand which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value, having been within three months of maturity at acquisition.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Loss allowance of ECL

The Group's management estimates the loss allowance for trade and other receivables by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables. Details of the key assumption and inputs used in estimating ECL are set out in note 39 to the consolidated financial statements.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for property, plant and equipment, right-of-use assets and investment properties at the end of each reporting period in accordance with the accounting policies as disclosed above. In determining whether these assets are impaired or the event previously causing the impairment no longer exists, the directors have to assess whether an event has occurred that may affect the assets value or such event affecting the assets value has not been in existence. If any such indication exists, the recoverable amounts of these assets would be determined by reference to value in use and fair value less costs of disposal. In determining the recoverable amounts of these assets, expected cash flows to be generated by the assets are discounted to their present value, which involves significant levels of estimates relating to sales volume, selling prices and other operating costs. When a decline in an asset's recoverable amount has occurred, the carrying amount is reduced to its estimated recoverable amount.

Impairment of investments

The Group assesses annually if investments in subsidiaries/associates have suffered any impairment in accordance with HKAS 36 and follows the guidance of HKFRS 9 in determining whether amounts due from these entities are impaired. Details of the approach are stated in the respective accounting policies. The assessment requires an estimation of future cash flows, including expected dividends, from the assets and the selection of appropriate discount rates. Future changes in financial performance and position of these entities would affect the estimation of impairment loss and cause the adjustments of their carrying amounts.



4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Discount rates for calculating lease liabilities as lessee

The Group uses the lessee's incremental borrowing rates to discount future lease payments since interest rates implicit in the leases are not readily determinable. In determining the discounts rates for its leases, the Group refers to a rate that is readily observable as the starting point and then applies judgement and adjusts such observable rate to determine the incremental borrowing rate.

Depreciation

The Group depreciates the property, plant and equipment and right-of-use assets with a finite useful life over their estimated useful life and after taking into account of their estimated residual values, using the straight-line method. The estimated useful life reflects the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment and right-of-use assets with a finite useful life. The residual values reflect the directors' estimated amount that the Group would currently obtain from the disposal of the assets, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of their useful lives.

Income taxes

The Group is subject to income taxes in a number of jurisdictions. Significant judgement is required in determining the provision for income taxes in various jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues 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 current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Fair values of investment properties

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. The determination of the fair value involves certain assumptions of market conditions which are set out in note 15 to the consolidated financial statements.

In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Changes to these assumptions, including the potential risk of market violation, policy, geopolitical and social changes or other unexpected incidents as a result of change in macroeconomic environment, would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

The directors of the Company have performed internal assessment on the risks of change in macroeconomic environment through performing sensitivity analysis in relation to the Group's investment properties.

As at 31 December 2021, the fair value of the Group's investment properties is HK\$53,000,000 (2020: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

5. REVENUE

	2021 HK\$'000	2020 HK\$'000
Revenue from contracts with customers		
Telecommunication services income	102,096	72,376
IT and distribution services income	1,081	–
	103,177	72,376
Revenue from leases		
Lease payments that are fixed under operating lease	336	–
	103,513	72,376

The revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

	Telecommunication services		IT and distribution services		Total	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
<i>Timing of revenue recognition:</i>						
– at a point in time	92,827	61,807	705	–	93,532	61,807
– over time	9,269	10,569	376	–	9,645	10,569
	102,096	72,376	1,081	–	103,177	72,376

6. SEGMENT INFORMATION

The Group's management, who are the chief operating decision makers, determine the operating segments for the purposes of resource allocation and performance assessment. The business segments of the Group comprise telecommunication services, IT and distribution services and property investment.

Segment results represent the results before taxation earned by each segment without allocation of central operating and administrative expenses. All assets are allocated to reportable segments other than unallocated assets which are mainly designated FVTOCI and financial assets at FVTPL. All liabilities are allocated to reportable segments other than corporate liabilities.

Analyses of the Group's segmental information by business and geographical segments during the years ended 31 December 2021 and 2020 are set out below.

(A) BY BUSINESS SEGMENTS

Segment results

	Telecommunication services		IT and distribution services		Property investment		Total	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Revenue								
External sales	102,096	72,376	1,081	-	336	-	103,513	72,376
Results								
Segment results	(3,189)	(1,086)	312	225	1,425	-	(1,452)	(861)
Finance costs	-	(3)	-	-	-	-	-	(3)
	(3,189)	(1,089)	312	225	1,425	-	(1,452)	(864)
Unallocated other operating income and expenses							(20,464)	17,645
(Loss) profit before taxation							(21,916)	16,781

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

6. SEGMENT INFORMATION *(continued)*

(A) BY BUSINESS SEGMENTS *(continued)*

Segment assets and liabilities

	Telecommunication services		IT and distribution services		Property investment		Total	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Assets								
Segment assets	14,064	15,943	1,236	484	53,482	-	68,782	16,427
Assets classified as disposal group held for sale							-	59,188
Unallocated assets							26,653	33,137
Consolidated total assets							95,435	108,752
Liabilities								
Segment liabilities	(10,765)	(12,862)	(1,483)	(1,033)	(673)	-	(12,921)	(13,895)
Liabilities classified as disposal group held for sale							-	(166)
Unallocated liabilities							(15,966)	(73,194)
Consolidated total liabilities							(28,887)	(87,255)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021



6. SEGMENT INFORMATION (continued)

(A) BY BUSINESS SEGMENTS (continued)

Other segment information

	Telecommunication services		IT and distribution services		Property investment		Unallocated		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Capital expenditure	-	86	-	-	-	-	24	142	24	228
Interest income	2	9	-	-	-	-	-	9	2	18
Amortisation and depreciation	-	-	-	-	(3)	-	(28)	(366)	(31)	(366)
Reversal of (loss) allowances on										
- Trade receivables	274	(515)	-	-	-	-	-	-	274	(515)
- Other receivables	(276)	(1,482)	-	(155)	-	-	-	(1,645)	(276)	(3,282)
Impairment losses on property, plants and equipment	-	(86)	-	-	-	-	(127)	-	(127)	(86)
Impairment losses on right-of-use assets	-	-	-	-	-	-	-	(1,632)	-	(1,632)
Net unrealised losses on financial assets at FVTPL	-	-	-	-	-	-	(308)	(552)	(308)	(552)
Write-off of										
- Trade receivables	(981)	-	-	-	-	-	-	-	(981)	-
- Other receivables	(454)	-	-	-	-	-	(117)	-	(571)	-
- financial assets at FVTPL	-	-	-	-	-	-	(425)	-	(425)	-
Fair value gain on investment properties	-	-	-	-	1,111	-	-	-	1,111	-
Gain (loss) on disposal of property, plants and equipment	1	12	-	-	-	-	(4)	-	(3)	12
Loss on disposal of a subsidiary	-	-	-	-	-	-	(5,962)	-	(5,962)	-
Lease expenses on short-term lease	(247)	(88)	-	-	-	-	(584)	(662)	(831)	(750)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

6. SEGMENT INFORMATION (continued)

(B) BY GEOGRAPHICAL INFORMATION

The Group's operations are principally located in Hong Kong and Singapore. The following table provides an analysis of the Group's revenue from external customers by geographical region in which the operations are located:

	Telecommunication services		IT and distribution services		Property investment		Total	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
<i>Geographical region:</i>								
– Hong Kong	23,400	23,023	1,081	–	336	–	24,817	23,023
– Singapore	78,696	49,353	–	–	–	–	78,696	49,353
	102,096	72,376	1,081	–	336	–	103,513	72,376

The following is an analysis of the carrying amounts of non-current assets (excluding financial instruments) by geographical area in which the assets are located:

	2021 HK\$'000	2020 HK\$'000
Hong Kong	53,500	154

(C) INFORMATION ABOUT MAJOR CUSTOMERS

Revenue from external customers contributing 10% or more of the revenue from the telecommunication services segment is as follows.

	2021 HK\$'000	2020 HK\$'000
Customer A	11,208	20,143
Customer B	20,865	–
Customer C	–	8,266
Customer D	20,988	8,122
Customer E ¹	11,017	N/A
Customer F ¹	11,003	N/A

¹ The corresponding revenue did not contribute over 10% of revenue from the telecommunication services segments for the year ended 31 December 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

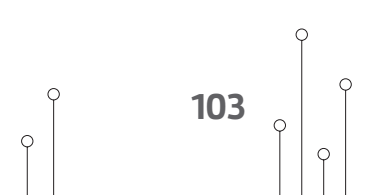


7. OTHER INCOME, GAINS AND LOSSES

	2021 HK\$'000	2020 HK\$'000
Compensation entitled	–	37,172
Forfeited deposits	–	2,825
Government subsidy	109	1,317
Impairment losses on property, plant and equipment	(127)	(86)
Impairment losses on right-of-use assets	–	(1,632)
Interest income from bank	2	18
(Loss) gain on disposal of property, plant and equipment	(3)	12
Sundry income	900	1,042
Write back of trade payables	78	–
Write back of other payables (<i>Note</i>)	12,393	1,014
Fair value gain on investment properties	1,111	–
	14,463	41,682

Note:

During the year ended 31 December 2021, the amount of approximately HK\$12,393,000 was derived from the reversal of an amount due to a former director of the Company, Mr. Yeung Chun Wai Anthony (“**Mr. Yeung**”), which amount represented the remaining balance of consideration payable by the Company for the purchase of 8,500,000 ordinary shares of SingAsia Holdings Limited (stock code: 8293) (the “**SingAsia Shares**”), the shares of which are listed on the Stock Exchange.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

8. (LOSS) PROFIT BEFORE TAXATION

(Loss) profit before taxation is stated after charging the following:

	2021 HK\$'000	2020 HK\$'000
(a) Finance costs		
Interest expenses on lease liabilities	29	35
Interest expenses on loans from a director	888	157
Interest expenses on other borrowings	346	–
	1,263	192
(b) Other items		
Employee salaries and other benefits (including directors' emoluments)	16,026	13,717
Retirement benefit scheme contributions	562	652
Total staff costs	16,588	14,369
Auditor's remuneration	1,124	1,323
Cost of services	98,668	66,623
Depreciation of:		
– property, plant and equipment	31	190
– right-of-use assets	–	176
Lease expenses on short-term leases	831	750
Exchange (gain) loss, net	(7)	150

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021



9. TAXATION

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for the year ended 31 December 2021. No provision for Hong Kong Profits Tax as the subsidiaries of the Group in Hong Kong have accumulated sufficient tax losses to be brought forward to set off against the assessable profits and had no estimated assessable profits for the year ended 31 December 2020.

Overseas (including the PRC and Singapore) taxation represents income tax provisions in respect of certain subsidiaries, calculated at the tax rates prevailing in the countries in which the subsidiaries operate.

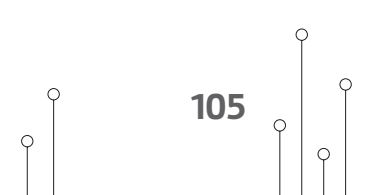
	2021 HK\$'000	2020 HK\$'000
Current tax:		
Hong Kong Profits Tax		
Current year	(49)	–
Overseas income taxes		
Over provision in last year	–	103
	(49)	103
Deferred tax:		
Current year	(8)	–
Total income tax (expense) credit	(57)	103

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements.

The Company's wholly-owned subsidiary in Singapore is subject to Corporate Income Tax at a rate of 17% (2020: 17%).

The subsidiary in the PRC is subject to PRC Enterprise Income Tax rate of 25% (2020: 25%).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

9. TAXATION (continued)

The tax charge for the years ended 31 December 2021 and 2020 can be reconciled to the (loss) profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2021 HK\$'000	2020 HK\$'000
(Loss) profit before taxation	(21,916)	16,781
Notional tax on (loss) profit before tax, calculated at the rates applicable in the jurisdictions concerned	(3,628)	2,785
Tax effect of expenses not deductible for tax purpose	5,501	4,041
Tax effect of income not taxable for tax purpose	(2,419)	(6,856)
Over-provision in respect of last year	–	(103)
Tax effect of tax losses not recognised as deferred tax asset	607	119
Tax effect of unrecognised temporary differences	(4)	–
Utilisation of tax losses previously not recognised	–	(89)
Income tax expense (credit) for the year	57	(103)

At the end of the reporting period, the Group has unused tax losses of approximately HK\$246,986,000 (2020: approximately HK\$284,209,000) available for offset against future profits. The decrease in unused tax losses was mainly due to certain deductible expenses claimed by the Company in previous years not agreed by the Inland Revenue Department during the year ended 31 December 2021. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams.

Neither the tax losses nor the deductible temporary differences expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom.

10. DIVIDENDS

The board of directors of the Company does not recommend the payment of a dividend for the year ended 31 December 2021 and 2020.

11. DIRECTORS' AND SENIOR EXECUTIVES' REMUNERATION**(A) INFORMATION ABOUT THE BENEFITS OF DIRECTORS****(i) Directors' remuneration**

The aggregate amounts of remuneration received and receivable by the Company's directors disclosed pursuant to the Listing Rules and the disclosure requirements of the Hong Kong Companies Ordinance ("HKCO") are as follows:

For the year ended 31 December 2021

	Director fees HK\$'000	Salaries and other emoluments HK\$'000	Discretionary bonus HK\$'000	Retirement benefit scheme contributions HK\$'000	Total HK\$'000
Executive directors					
Mr. Cheung Siu Fai (Note a)	–	240	–	12	252
Mr. Hui Chun Wai Henry (Note b)	–	199	509	10	718
Mr. Zhao Ruiyong (Note c)	–	40	–	–	40
Mr. Cheung Ka Heng Frankie (Note d)	–	40	–	2	42
Mr. Lau Wai Yui Jimmy (Note e)	–	18	–	1	19
Non-executive directors					
Mr. Zhao Ruiyong (Note c)	–	60	–	–	60
Mr. Cheung Ka Heng Frankie (Note d)	–	60	–	–	60
Independent non-executive directors					
Mr. Fong Wai Ho (Note f)	120	–	–	–	120
Mr. Chow Hiu Tung (Note g)	96	–	–	–	96
Mr. Cheung Sze Ming (Note h)	96	–	–	–	96
Mr. Leung Wai Kei (Note i)	24	–	–	–	24
Mr. Lam Chik Shun Marcus (Note j)	24	–	–	–	24
Mr. Huang Tao (Note k)	21	–	–	–	21
Total remuneration	381	657	509	25	1,572

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

11. DIRECTORS' AND SENIOR EXECUTIVES' REMUNERATION (continued)

(A) INFORMATION ABOUT THE BENEFITS OF DIRECTORS (continued)

(i) Directors' remuneration (continued)

For the year ended 31 December 2020

	Director fees HK\$'000	Salaries and other emoluments HK\$'000	Discretionary bonus HK\$'000	Retirement benefit scheme contributions HK\$'000	Total HK\$'000
Executive directors					
Mr. Cheung Siu Fai	–	207	–	10	217
Mr. Zhao Ruiyong	–	240	–	–	240
Ms. Li Bing (Note l)	–	206	–	–	206
Mr. Cheung Ka Heng Frankie	–	240	–	12	252
Independent non-executive directors					
Mr. Fong Wai Ho	103	–	–	–	103
Mr. Leung Wai Kei	103	–	–	–	103
Mr. Lam Chik Shun Marcus	103	–	–	–	103
Mr. Huang Tao	120	–	–	–	120
Mr. Zhao Guangming (Note m)	80	–	–	–	80
Total remuneration	509	893	–	22	1,424



11. DIRECTORS' AND SENIOR EXECUTIVES' REMUNERATION (continued)

(A) INFORMATION ABOUT THE BENEFITS OF DIRECTORS (continued)

(i) Directors' remuneration (continued)

Notes:

- (a) Mr. Cheung Siu Fai ("**Mr. Cheung**") was appointed as executive director on 20 February 2020, and was appointed as the chairman and acting chief executive officer of the Company with effect from 2 March 2021.
- (b) Mr. Hui Chun Wai Henry was appointed as executive director on 2 March 2021.
- (c) Mr. Zhao Ruiyong ("**Mr. Zhao**") was re-designated as non-executive director on 2 March 2021, and was removed on 31 May 2021.
- (d) Mr. Cheung Ka Heng Frankie ("**Mr. Frankie Cheung**") was re-designated as non-executive director on 2 March 2021, and was removed on 31 May 2021.
- (e) Mr. Lau Wai Yui Jimmy was appointed as executive director on 2 March 2021, and resigned on 12 March 2021.
- (f) Mr. Fong Wai Ho was appointed as independent non-executive director on 20 February 2020.
- (g) Mr. Chow Hiu Tung was appointed as independent non-executive director on 12 March 2021.
- (h) Mr. Cheung Sze Ming was appointed as independent non-executive director on 12 March 2021.
- (i) Mr. Leung Wai Kei was appointed as independent non-executive director on 20 February 2020, and resigned on 12 March 2021.
- (j) Mr. Lam Chik Shun Marcus was appointed as independent non-executive director on 20 February 2020, resigned on 12 March 2021.
- (k) Mr. Huang Tao resigned as independent non-executive director on 2 March 2021.
- (l) Ms. Li Bing resigned as executive director and chief executive officer on 9 November 2020.
- (m) Mr. Zhao Guangming resigned as independent non-executive director on 31 August 2020.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year ended 31 December 2021 (2020: Nil). In addition, no emoluments were paid by the Group to any of the directors as an inducement to join, or upon joining the Group or as a compensation for loss of office for the year ended 31 December 2021 (2020: Nil).

(ii) Loans, quasi-loans and other dealings in favour of directors

There are no loans, quasi-loans or other dealings in favour of the directors of the Company, body corporate controlled by such directors or entities connected with such directors that were entered into or subsisted during the years ended 31 December 2021 and 2020.

(iii) Directors' material interests in transactions, arrangements or contracts

After consideration, the directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 31 December 2021 and 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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11. DIRECTORS' AND SENIOR EXECUTIVES' REMUNERATION (continued)

(B) INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, there was a director (2020: Nil) whose emolument is disclosed above. The aggregate of the emoluments in respect of the remaining four (2020: five) highest paid individuals, who are not directors, are as follows:

	2021 HK\$'000	2020 HK\$'000
Salaries and other emoluments	8,613	7,432
Retirement benefit scheme contributions	153	251
	8,766	7,683

The emoluments of the four (2020: five) individuals with the highest emoluments are within the following bands:

	2021 No. of individuals	2020 No. of individuals
Below HK\$1,000,000	1	2
HK\$1,000,001 to HK\$1,500,000	1	1
HK\$1,500,001 to HK\$2,000,000	–	–
HK\$2,000,001 to HK\$2,500,000	–	1
HK\$2,500,001 to HK\$3,000,000	–	1
HK\$3,000,001 to HK\$3,500,000	2	–
	4	5

During the year ended 31 December 2021, no remuneration was paid by the Group to any of the four (2020: five) highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office (2020: Nil). There were no arrangements under which any of the four (2020: five) highest paid individuals waived or agreed to waive any remuneration during the year ended 31 December 2021 (2020: Nil).

12. (LOSS) EARNINGS PER SHARE

The calculation of the (loss) earnings per share for the year ended 31 December 2021 is based on the loss attributable to owners of the Company of approximately HK\$21,973,000 (2020: profit attributable to owners of the Company of approximately HK\$16,851,000) and the weighted average number of shares of approximately 1,227,828,000 (2020: approximately 1,086,695,000) ordinary shares in issue during the year ended 31 December 2021.

The weighted average number of ordinary shares for the purpose of basic (loss) earnings per share has been adjusted for rights issue that on the basis of one (1) rights share for every four (4) shares held on the record date of 31 May 2021 and completed on 25 June 2021 (the "May Rights Issue"); and on the basis of one (1) rights share for every five (5) shares held on the record date of 10 November 2021 and completed on 6 December 2021 (the "November Rights Issue"). Comparative figures for the weighted average number of ordinary shares for the year ended 31 December 2020 have been adjusted retrospectively.

The Group has no dilutive potential ordinary shares in issue during the current and last year and, therefore, the diluted (loss) earnings per share is the same as basic (loss) earnings per share for the both years presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021



13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Equipment HK\$'000	Office equipment, furniture and fittings HK\$'000	Total HK\$'000
Cost				
At 1 January 2020	88	6,679	21,595	28,362
Additions	142	–	86	228
Disposal	–	–	(388)	(388)
Write-off	(88)	–	(914)	(1,002)
Exchange adjustments	–	92	277	369
At 31 December 2020 and 1 January 2021	142	6,771	20,656	27,569
Addition through acquisition of a subsidiary	48	–	–	48
Additions	–	–	24	24
Disposal	–	–	(615)	(615)
Exchange adjustments	–	(115)	(341)	(456)
At 31 December 2021	190	6,656	19,724	26,570
Depreciation and impairment				
At 1 January 2020	62	6,679	21,419	28,160
Depreciation	42	–	148	190
Impairment	–	–	86	86
Disposal	–	–	(388)	(388)
Write-off	(88)	–	(914)	(1,002)
Exchange adjustments	–	92	277	369
At 31 December 2020 and 1 January 2021	16	6,771	20,628	27,415
Depreciation	3	–	28	31
Impairment	127	–	–	127
Disposal	–	–	(612)	(612)
Exchange adjustments	–	(115)	(341)	(456)
At 31 December 2021	146	6,656	19,703	26,505
Carrying amount				
At 31 December 2021	44	–	21	65
At 31 December 2020	126	–	28	154

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For the year ended 31 December 2021

13. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Since the telecommunication business in Singapore recorded net losses in consecutive years, the office equipment, furniture and fittings associated with this business unit were tested for impairment. As the residual values of these office equipment, furniture and fittings were estimated to be nil, the carrying values of these assets were fully impaired. No impairment loss was recognised in profit or loss during the year ended 31 December 2021 (2020: approximately HK\$86,000).

The above items of property, plant and equipment, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvement	Over the remaining lease terms
Equipment	20% – 33%
Office equipment, furniture and fittings	20% – 33%

14. RIGHT-OF-USE ASSETS

	Office premises HK\$'000
At 31 December 2021	
Carrying amount	–
At 31 December 2020	
Carrying amount	–
For the year ended 31 December 2021	
Depreciation charge	–
For the year ended 31 December 2020	
Depreciation charge	176
	2021 HK\$'000
	2020 HK\$'000
Expenses relating short-term leases	831
Total cash outflow for leases	1,713
Additions to right-of-use assets	–
	1,808

The Group leases various office premises for its daily operations with lease terms ranging from two to three years with an option to renew the lease when all terms are renegotiated. The interest expenses on lease liabilities are set out in note 8(a) to the consolidated financial statements.



14. RIGHT-OF-USE ASSETS (continued)

At the end of the reporting period, no office premises before impairment losses (2020: Nil) are held under leases with the remaining lease term of less than 1 year with an option to renew the lease when all terms are renegotiated.

In light of the continuing operating loss of the Group, the directors have carried out an assessment on the recoverable amount of the corporate assets and fully impaired. An impairment loss of approximately HK\$1,632,000 was recognised during the year ended 31 December 2020 because its recoverable amount is lower than its carrying amount.

RESTRICTION OR COVENANTS

In addition, lease liabilities of approximately HK\$793,000 are recognised with related right-of-use assets, net of accumulated depreciation and accumulated impairment losses of HK\$Nil (2020: lease liabilities of approximately HK\$1,646,000 and related right-of-use assets, net of accumulated depreciation and accumulated impairment losses of HK\$Nil) as at 31 December 2021. The lease arrangements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

15. INVESTMENT PROPERTIES

The Group leases out warehouse under operating leases with rental receivable monthly. The lease typically runs for an initial period of 5 years, with unilateral rights to extend the lease beyond initial period held by lessee only.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entity. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

	2021 HK\$'000
Fair value	
Balance at beginning of the year	–
Acquired on an acquisition of a subsidiary	51,889
Net increase in fair value recognised in profit or loss	1,111
Balance at end of the year	53,000

The fair value of the Group's investment properties as at 31 December 2021 has been arrived at on the basis of a valuation carried out on that date by Messrs Ravia Global Appraisal Advisory Limited, independent qualified professional valuers not connected to the Group.

In determining the fair value of the relevant property, the management of the Company have determined the appropriate valuation techniques and inputs for fair value measurements.

The Group engages third party qualified valuer to perform the valuation. The management of the Company works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

15. INVESTMENT PROPERTIES *(continued)*

In estimating the fair value of the property, the highest and best use of the property is its current use. The fair values of certain investment properties have been adjusted to exclude prepaid or accrued operating lease income to avoid double counting.

	Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Industrial units located in Hong Kong	Direct comparison	Market unit rate, taking into account the recent transaction prices for similar properties adjusted for the nature, location and conditions of the property, which ranged from HK\$11,860 to HK\$13,440 per square metre.	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.

The fair value measurement is categorised into Level 3 of the fair value hierarchy and there were no transfers into or out of Level 3 during the year ended 31 December 2021.

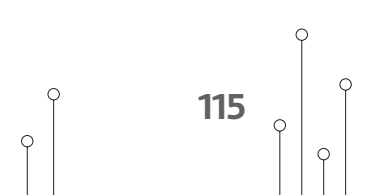
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021



16. INTANGIBLE ASSETS

	Development costs HK\$'000	Software HK\$'000	Customer relationships HK\$'000	Technical know-how HK\$'000	Total HK\$'000
Cost					
At 1 January 2020	3,597	12,436	54,496	16,700	87,229
Exchange adjustment	–	666	2,919	895	4,480
At 31 December 2020 and 1 January 2021	3,597	13,102	57,415	17,595	91,709
Exchange adjustment	–	555	2,433	746	3,734
At 31 December 2021	3,597	13,657	59,848	18,341	95,443
Amortisation and impairment					
At 1 January 2020	3,597	12,436	54,496	16,700	87,229
Exchange adjustment	–	666	2,919	895	4,480
At 31 December 2020 and 1 January 2021	3,597	13,102	57,415	17,595	91,709
Exchange adjustment	–	555	2,433	746	3,734
At 31 December 2021	3,597	13,657	59,848	18,341	95,443
Carrying amount					
At 31 December 2021	–	–	–	–	–
At 31 December 2020	–	–	–	–	–



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

17. INTEREST IN ASSOCIATES

	2021 HK\$'000	2020 HK\$'000
Share of net assets	–	–

Details of associates at the end of the reporting period are as follows:

Name of associate	Principal place of business/ incorporation	Particular of issued share capital/ registered capital	Proportion of value of registered and paid-up capital indirectly held by the Company		Principal activities
			2021	2020	
Wusu Silk Road Small Town Cultural Tourism Company Limited* (烏蘇絲路小鎮文旅有限公司) ("Wusu Company") (Note (a))	The PRC	RMB200,000,000 Registered capital	–	25%	Development and operation of the characteristic town, real estate and cultural tourism
Yibin Xianyuan Lake Small Towns Cultural Tourism Company Limited* (宜賓仙源湖小鎮文旅有限公司) ("Yibin Company") (Note (b))	The PRC	RMB200,000,000 Registered capital	–	35%	Development and operation of the characteristic town, real estate and cultural tourism
AsiaCloud (HK) Limited ("AsiaCloud")	Hong Kong	100,000 ordinary shares of HK\$100,000	20%	20%	Provision of telecommunication services

* For identification purpose only

Notes:

(a) Wusu Company

The principal activities of Wusu Company are development and operation of the characteristic town, real estate and cultural tourism in Wusu city. In February 2018, Wusu Company entered into a construction contract with a third-party constructor to carry out the construction work of the characteristic cultural town, a deposit of RMB50,000,000 has been paid to the constructor in 2018 and recognised as prepayment as at 31 December 2020.

During the year ended 31 December 2021, the Group disposed of 100% issued share capital of B&R Investment Holding Limited ("B&R Investment") with interest in associate of Wusu Company. Details are disclosed in note 29 to the consolidated financial statements.

(b) Yibin Company

The principal activities of Yibin Company would be development and operation of the characteristic town, real estate and cultural tourism in Yibin city. As at 31 December 2020, Yibin Company remained inactive since its incorporation.

During the year ended 31 December 2021, the Group disposed of 100% issued share capital of B&R Investment with interest in associate of Yibin Company. Details are disclosed in note 29 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

17. INTEREST IN ASSOCIATES (continued)

UNRECOGNISED SHARE OF LOSSES OF ASSOCIATES

The Group's share of losses of AsiaCloud exceeds its investment cost. As at 31 December 2021 and 2020, share of net liabilities of AsiaCloud was limited to zero. The unrecognised share of profits of AsiaCloud for the current year and cumulative unrecognised share of losses up to the end of the reporting period amounted to approximately HK\$5,000 (2020: unrecognised share of losses of approximately HK\$1,304,000) and approximately HK\$1,607,000 (2020: approximately HK\$1,612,000) respectively.

18. SUBSIDIARIES

Details of the major subsidiaries directly and indirectly held by the Company at the year end are set out below:

Name of subsidiary	Place of incorporation/operation	Particulars of issued share capital/registered capital	Effective ownership interest held by the Company				Principal activities
			Directly		Indirectly		
			2021	2020	2021	2020	
B&R Investment Holding Limited	Hong Kong	HK\$1,000	–	100%	–	–	Investment holding
杭州蘇頌科技有限公司 (Hangzhou Susong Technology Company Limited*) ("Hangzhou Susong") (Notes (i) & (iii))	The PRC	RMB2,000,000 Registered capital	–	–	90%	90%	Provision of financial payment processing solution and software development services and distribution business through e-commerce platform
Great Wall Belt & Road International Limited	Hong Kong	HK\$1,000	100%	100%	–	–	Provision of IT services
Palico Development Limited	Hong Kong	HK\$10	100%	–	–	–	Property investment
ZONE Enterprises Limited	Hong Kong	HK\$1	–	–	100%	100%	Provision of consultancy services
ZONE Asia Holdings Limited	The British Virgin Islands/ Hong Kong	US\$1	–	–	100%	100%	Investment holding
ZONE Limited	Hong Kong	HK\$2	–	–	100%	100%	Provision of telecommunication services
ZONE Telecom Pte Ltd (Note (i))	Singapore	Singapore dollars ("S\$") 100,000	–	–	100%	100%	Provision of telecommunication services

Notes:

(i) Statutory audited financial statements not audited by Confucius International CPA Limited.

(ii) A limited liability enterprise established in the PRC registered as sino-foreign equity joint venture under PRC laws.

* For identification purpose only

The above summary includes those subsidiaries which, in the opinion of the Company's directors, principally affect the results or form a substantial portion of the net assets of the Group. The classes of shares held are ordinary shares unless otherwise stated. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length. None of the subsidiaries had any debt securities in issue at any time during the two years ended 31 December 2021 and 2020.

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For the year ended 31 December 2021

19. DESIGNATED FVTOCI

	2021 HK\$'000	2020 HK\$'000
Designated FVTOCI		
Unlisted equity securities, at fair value	2,064	2,123

Designated FVTOCI with carrying amount of HK\$2,064,000 (2020: HK\$2,037,000) represents 0.2% (2020: 0.2%) equity interest in the private entities incorporated in the British Virgin Islands and Hong Kong, which are engaged in the development of battery-powered electric vehicles in Italy, the PRC and Hong Kong.

Designated FVTOCI with carrying amount of HK\$Nil (2020: approximately HK\$86,000) represents 15% equity interest in the private entity incorporated in Singapore, which is engaged in the provision of telecommunication services. In the current year, the Group disposed of the 15% equity interest in the private entity for a consideration of S\$150,000 (equivalent to HK\$867,000). A cumulative gain on disposal of approximately HK\$781,000 has been transferred to accumulated losses.

20. FINANCIAL ASSETS AT FVTPL

	Note	2021 HK\$'000	2020 HK\$'000
Held for trading			
Equity investments listed in Hong Kong	(a)	163	896

At the end of the reporting period, the carrying amounts of financial assets designated as FVTPL represent the maximum exposure to credit risk of those financial assets, if applicable.

Note:

- a) *The fair values of the listed investments are determined on the basis of quoted market price at the end of the reporting period. As at 31 December 2020, the equity investments listed in Hong Kong at fair value of approximately HK\$723,000 are held by Mr. Yeung on behalf of the Group. During the year ended 31 December 2021, the Group has derecognised the financial assets at FVTPL held by Mr. Yeung of HK\$425,000 due to a bankruptcy order made against Mr. Yeung by the High Court of Hong Kong. Mr. Yeung is incapable to transfer back the financial assets at FVTPL held by him on behalf of the Group, details of which are set out in note 25(b) to the consolidated financial statements.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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21. TRADE AND OTHER RECEIVABLES

	Notes	2021 HK\$'000	2020 HK\$'000
Trade receivables		12,617	19,770
Loss allowances on trade receivables		(9,123)	(9,229)
		3,494	10,541
Other receivables			
Deposits		1,293	770
Prepayments		1,694	661
Other debtors	(a)	17,935	20,524
Due from associate		–	2,657
Deferred lease receivables		336	–
Loan receivable from a non-controlling interest of a subsidiary	(b)	13,157	12,622
		34,415	37,234
Loss allowances on other receivables		(29,187)	(35,432)
		5,228	1,802
Total trade and other receivables		8,722	12,343
Analysed for reporting purpose as:			
Current assets		8,287	12,343
Non-current assets		435	–
		8,722	12,343

Notes:

(a) Included in other debtors as at 31 December 2021 was a receivable of approximately RMB9,288,000 (equivalent to approximately HK\$11,424,000) (2020: approximately RMB9,288,000 (equivalent to approximately HK\$10,960,000)) due from debtors of PRC subsidiary. Full loss allowances of approximately RMB9,288,000 (equivalent to approximately HK\$11,424,000) (2020: approximately RMB9,288,000 (equivalent to approximately HK\$10,960,000)) have been provided in previous years.

Included in other debtors as at 31 December 2021 was a receivable of approximately HK\$4,304,000 (2020: approximately HK\$4,304,000) due from a third party which was arising from the proceeds from the disposal of financial assets at fair value through profit or loss in 2017. Full loss allowance of approximately HK\$4,304,000 (2020: approximately HK\$4,304,000) has been provided in previous years.

(b) As at 31 December 2021, loan and interest receivable of approximately RMB10,697,000 (equivalent to approximately HK\$13,157,000) (2020: approximately RMB10,697,000 (equivalent to approximately HK\$12,622,000)) from a non-controlling interest of a subsidiary is unsecured, interest bearing at the fixed rate of 4.35% per annum and repayable in December 2021 (2020: unsecured, interest bearing at the fixed rate of 4.35% per annum and repayable in December 2020). In view of the default of repayment of principal and interest of the loan, prolonged outstanding without settlement, the management considers it is probable that the recoverability of the loan receivable was in doubt. The full loss allowances of approximately RMB10,697,000 (equivalent to approximately HK\$13,157,000) (2020: approximately RMB10,697,000 (equivalent to approximately HK\$12,622,000)) were made during the year ended 31 December 2020.

Information about the Group's exposure to credit risks and loss allowance for trade and other receivables is included in note 39(C) to the consolidated financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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22. CONTRACT COSTS

	2021 HK\$'000	2020 HK\$'000
Costs to fulfil contracts	31	–

Contract costs capitalised relate to the service costs paid to service provider. Contract costs are recognised as part of cost of services in the consolidated statement of profit or loss and other comprehensive income in the period in which revenue from the related services is recognised. The amount of capitalised costs recognised in profit or loss during the year ended 31 December 2021 was approximately HK\$658,000 (2020: Nil). There was no impairment in relation to the opening balance of capitalised costs or the costs capitalised during the year ended 31 December 2021 (2020: Nil).

23. PLEDGED BANK DEPOSITS

As at 31 December 2021, the Group had pledged bank deposits amounting to approximately HK\$669,000 (2020: approximately HK\$755,000). At the end of the reporting period, bank guarantees of approximately HK\$628,000 (2020: approximately HK\$755,000) were issued to suppliers for operational requirements. The directors do not consider it is probable that a claim will be made against the Group under these guarantees. The amounts utilised by the Group at the end of the reporting period under these guarantees were approximately HK\$628,000 (2020: approximately HK\$755,000), representing the outstanding amounts payable to these suppliers.

24. BANK BALANCES AND CASH

	2021 HK\$'000	2020 HK\$'000
Cash at bank and in hand	30,663	33,238

Cash at bank earns interest at floating rates based on daily bank deposit rates.

25. TRADE AND OTHER PAYABLES

	Notes	2021 HK\$'000	2020 HK\$'000
Trade payables	(a)	8,327	7,277
Other payables			
Accrued charges and other creditors		11,870	20,364
Contract liabilities		1,414	1,134
Due to former directors	(b)	–	12,833
Deposit received		495	100
Deposit received for disposal of a subsidiary	(c)	–	28,025
Loans from directors	(d)(i)	–	15,710
Loans from former directors	(d)(ii)	5,710	–
		19,489	78,166
Total trade and other payables		27,816	85,443
Analysed for reporting purpose as:			
Current liabilities		27,421	85,443
Non-current liabilities		395	–
		27,816	85,443

Notes:

(a) Ageing analysis of trade payables by invoice date is summarised as follows:

	2021 HK\$'000	2020 HK\$'000
Less than 1 month	4,344	4,158
1 to 3 months	745	1,066
More than 3 months but less than 12 months	1,229	692
More than 12 months	2,009	1,361
	8,327	7,277

(b) The amount due to a former director, Mr. Yeung, represented the remaining balance of consideration received from the disposal of 5,700,000 ordinary shares of the SingAsia Shares on 9 June 2017, which was finally not approved at the special general meeting of the Company held on 29 December 2017.

As at 31 December 2017, the total amount of approximately HK\$41,552,000 received from Mr. Yeung was accounted for as "other payables" and the 5,700,000 SingAsia Shares held by Mr. Yeung on behalf of the Group carried at a fair value of approximately HK\$101,802,000 are classified as "financial assets at FVTPL".

In March 2018, the 5,700,000 SingAsia Shares were sub-divided into 28,500,000 shares after sub-division of the issued share capital of SingAsia Holdings Limited, of which 20,000,000 sub-divided SingAsia Shares were returned to the Group by Mr. Yeung in exchange of consideration of approximately HK\$29,159,000 previously received by the Group.

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25. TRADE AND OTHER PAYABLES (continued)

Notes: (continued)

(b) (continued)

As at 31 December 2020, 8,500,000 sub-divided SingAsia Shares were held by Mr. Yeung and the related balance of consideration received of approximately HK\$12,393,000 was accounted for as "due to former directors". As disclosed in the announcement of the Company dated 12 March 2019, in view of the prolonged period of delay in the settlement of the remaining sub-divided SingAsia Shares by Mr. Yeung, the Company had, through its solicitors, issued the Writ of Summons to commence legal proceedings against Mr. Yeung on 12 March 2019 to demand for, among others, damages for breach of contract, which may include the fair value losses in the sub-divided SingAsia Shares in view of the drop in the price of sub-divided SingAsia Shares. The amount of approximately HK\$12,393,000 due to Mr. Yeung as mentioned above was written back as other income on the basis that the Company has been advised by its legal counsel that the chances that Mr. Yeung will be able to compel the Group to make such payment is relatively low.

On 21 April 2021, a bankruptcy order was made against Mr. Yeung by the High Court of Hong Kong.

- (c) The disposal of a subsidiary was completed during the year ended 31 December 2021, details of which are set out in note 29 to the consolidated financial statements, the Company's announcements dated 20 November 2020 and 19 March 2021 and the circular dated 24 February 2021 respectively.
- (d) (i) As at 31 December 2020, the Group has outstanding loans from (a) Mr. Zhao of approximately HK\$2,378,000 and Mr. Frankie Cheung of approximately HK\$3,332,000, both of which loans are unsecured, unguaranteed, interest-free and repayable on demand; and (b) Mr. Cheung of HK\$10,000,000, which is unsecured, unguaranteed, interest-bearing at 12% per annum and repayable on demand. During the year ended 31 December 2021, the amounts due to Mr. Cheung were repaid in full by the Company with part of the net proceeds from the May Rights Issue.
- (ii) During the year ended 31 December 2021, Mr. Zhao and Mr. Frankie Cheung were removed as directors of the Company at the annual general meeting of the Company on 31 May 2021 after the ordinary resolutions were duly passed by shareholders of the Company. Therefore, the said loans described above in note 25(d)(i) to the consolidated financial statements in the aggregate amount of approximately HK\$5,710,000 has been reclassified as "Loans from former directors".

26. LEASE LIABILITIES

	2021 HK\$'000	2020 HK\$'000
Lease liabilities payable:		
Within one year	793	932
Within a period of more than one year but not exceeding two years	–	714
	793	1,646
Less: Amount due for settlement within 12 months shown under current liabilities	(793)	(932)
Amount due for settlement after 12 months shown under non-current liabilities	–	714

Lease liabilities as at 31 December 2021 is carried at weighted average incremental borrowing rate of 2.257% (2020: 2.257%) per annum.



27. DEFERRED TAX LIABILITIES

	Accelerated tax depreciation on investment properties HK\$'000
At 1 January 2021	–
Addition through acquisition of a subsidiary	187
Charged to profit or loss for the year	8
At 31 December 2021	195

28. ACQUISITION OF A SUBSIDIARY

On 3 September 2021, the Group acquired the entire equity interest in Palico Development Limited and the sale loan for an aggregate consideration, subject to adjustments (the “**Palico Acquisition**”), which was payable in cash at a total cash consideration of HK\$51,750,000. Palico Development Limited owned an industrial property located at Watson Road, Hong Kong. Such industrial property was acquired for investment purposes. The Palico Acquisition is considered as an acquisition of an asset since the acquiree does not meet the definition of a business under HKFRS 3.

Fair value of assets and liabilities acquired at the date of Palico Acquisition was as follows:

	HK\$'000
Investment properties	51,889
Property, plant and equipment	48
Deferred tax liabilities	(187)
Shareholder's loan	(35,948)
	15,802
Add: assignment of shareholder's loan	35,948
Total consideration	51,750

Cash outflow on acquisition of a subsidiary during the year ended 31 December 2021 was as follows:

	HK\$'000
Consideration paid in cash	51,750



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29. DISPOSAL OF A SUBSIDIARY

On 19 March 2021, the Company completed the disposal of 100% equity interest in B&R Investment for a consideration of RMB47,500,000 (equivalent to approximately HK\$56,288,000) (the “**Disposal of B&R Investment**”). The loss arising from the Disposal of B&R Investment was calculated as follows:

Analysis of assets and liabilities over which control was lost:

	HK\$'000
Investment in associates	59,584
Other receivables	28
Bank balances and cash	51
Other payables	(166)
Net assets disposed of	59,497
Loss on disposal of a subsidiary:	
Consideration received	56,288
Release of exchange reserve	(2,753)
Net assets disposed of	(59,497)
Loss on disposal	(5,962)
Net cash inflow arising on disposal:	
Cash consideration received	56,288
Cash consideration received during the year ended 31 December 2020	(28,025)
Less: bank balances and cash disposed of	(51)
	28,212

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30. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
Balance as at 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021	12,000,000,000	120,000
Issued and fully paid:		
Balance as at 1 January 2020, 31 December 2020 and 1 January 2021	1,050,280,000	10,503
Issue of new shares under the May Rights Issue (<i>Note a</i>)	262,570,000	2,626
Issue of new shares under the November Rights Issue (<i>Note b</i>)	262,570,000	2,626
As at 31 December 2021	1,575,420,000	15,755

Notes:

- (a) In June 2021, the Company allotted 262,570,000 new ordinary shares on the basis of one (1) rights share for every four (4) shares held on the record date of 31 May 2021 at a subscription price of HK\$0.15 per rights share. Details of the May Rights Issue are disclosed in the Company's announcements dated 11 May 2021 and 24 June 2021 and prospectus dated 2 June 2021 respectively.
- (b) In December 2021, the Company allotted 262,570,000 new ordinary shares on the basis of one (1) rights share for every five (5) shares held on the record date of 10 November 2021 at a subscription price of HK\$0.10 per rights share. Details of the November Rights Issue are disclosed in the Company's announcements dated 7 October 2021 and 3 December 2021 and prospectus dated 12 November 2021 respectively.



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31. SHARE OPTIONS

On 28 June 2018, the Company adopted a new share option scheme (the “**New Share Option Scheme**”), which superseded the share option scheme adopted on 20 May 2015 (the “**Old Share Option Scheme**”). Under the New Share Option Scheme, the directors of the Company may at their decision grant share options to (i) any director, employee, consultants, adviser, substantial shareholder and business partner of any company in the Group and/or (ii) any company wholly-owned by one or more persons belonging to any of the above class of participants. No share options have been granted by the Company under the New Share Option Scheme and the Old Share Option Scheme since adoption.

No share options were granted/forfeited/exercised during the year ended 31 December 2021 and there were no share options outstanding/exercisable at the end of the reporting period.

SUMMARY OF PRINCIPAL TERMS

A summary of the principal terms of the New Share Option Scheme and procedures is as follows:

(i) Purpose

The New Share Option Scheme is designed to recognise, motivate and provide incentives to those who make contributions to the Group. The purpose of the New Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, or business partners of the Group and to promote the success of the business of the Group.

(ii) Maximum number of shares

The total number of shares in respect of which share options may be granted (together with share options exercised and then outstanding) under the New Share Option Scheme shall not in aggregate exceed 10% of the shares in issue as at the date of approval of the New Share Option Scheme unless shareholder approval has been obtained. The 10% limit may be refreshed at any time by obtaining approval of the shareholders in general meeting provided that the total number of shares that may be issued under New Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the shares in issue as at the date of approval of the refreshed limited. As at 31 December 2021 and 2020, there were no outstanding share options under the share option scheme adopted by the Company.

The maximum number of shares issued and which may fall to be issued upon the exercise of the share options granted under the New Share Option Scheme (including both exercised and outstanding share options) to each eligible participant shall not exceed 1% of the shares in issue for the time being in any 12 months period up to and including the date of grant.

As at 31 December 2021, the total number of shares available for issue under the New Share Option Scheme was 105,028,000 shares (2020: 105,028,000 shares), which represented 10% and 6.67% (2020: 10%) of the Company's issued share capital as at the date of approval of the New Share Option Scheme and as at 31 December 2021, respectively.

(iii) Exercise period and payment on acceptance of share options

A share option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the directors to each grantee, subject to a maximum period of 10 years from the date of grant. There is no minimum period for which an option must be held before it can be exercised.

A share option shall be deemed to have been granted and accepted and to have taken effect when the duplicate letter comprising acceptance of the offer of the grant of a share option duly signed by the grantee together with a remittance in favour of the Company of HK\$1.00 in consideration of the grant thereof is received by the Company on a business day not later than 14 days from the offer date.



31. SHARE OPTIONS *(continued)*

SUMMARY OF PRINCIPAL TERMS *(continued)*

(iv) Basis of determining the subscription price

Subject to the terms of the New Share Option Scheme and the provisions of the Listing Rules, the subscription price in respect of any share option shall be at least the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheets on the date of grant; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets over the 5 business days immediately preceding the date of grant; and (iii) the nominal value of a share.

(v) Remaining life of the scheme

The New Share Option Scheme is valid and effective, at the discretion of the board of directors, subject to a maximum period of 10 years from the date of its adoption and will expire at the close of business on 27 June 2028.

32. OPERATING LEASING ARRANGEMENT

THE GROUP AS LESSOR

Investment properties held by the Group for rental purpose have committed leases for the next 5 years.

Undiscounted lease payments receivable on lease are as follows:

	2021 HK\$'000
Within one year	1,320
In the second year	1,440
In the third year	1,440
In the fourth year	1,440
In the fifth year	1,080
	6,720

33. PLEDGED OF ASSETS

Except for pledged bank deposits, the Group had no significant pledge of assets as at 31 December 2021 and 2020.



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34. RELATED PARTY TRANSACTIONS

- (A) In addition to the transactions detailed in notes 21(b) and 25(d) to these consolidated financial statements, during the years ended 31 December 2021 and 2020, the Group had the following transactions with related parties:

	2021 HK\$'000	2020 HK\$'000
Nature of transactions		
Interest income from loan receivable from a non-controlling interest of a subsidiary	–	500
Interest expenses on loans from a director	888	157

- (B) Details of the balance with related parties at 31 December 2021 and 2020 are set out in notes 21(b) and 25(d) to the consolidated financial statement.

- (C) Remuneration for key management personnel (including directors) of the Group:

	2021 HK\$'000	2020 HK\$'000
Salaries, bonus, allowances and other short-term benefits	10,592	7,713
Contribution to defined contribution plans	154	196
	10,746	7,909

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35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Pursuant to the disclosure requirements of the HKCO, the statement of financial position of the Company and the movements in its reserves are set out below:

	<i>Notes</i>	2021 HK\$'000	2020 HK\$'000
Non-current assets			
Property, plant and equipment		–	20
Interests in subsidiaries		96,516	97,909
		96,516	97,929
Current assets			
Other receivables		547	230
Pledged bank deposits		79	79
Bank balances and cash		23,086	28,916
		23,712	29,225
Current liabilities			
Other payables and accruals		8,605	40,552
Due to subsidiaries		156,060	156,807
Loans from directors		–	15,710
Loans from former directors		5,710	–
		170,375	213,069
Net current liabilities		(146,663)	(183,844)
Net liabilities		(50,147)	(85,915)
Capital and reserve			
Share capital	<i>30</i>	15,755	10,503
Reserves	<i>35(a)</i>	(65,902)	(96,418)
Capital deficiency		(50,147)	(85,915)

The statement of financial position was approved and authorised for issue by the board of directors of the Company on 24 March 2022 and is signed on its behalf by

Mr. Cheung Siu Fai
DIRECTOR

Mr. Hui Chun Wai Henry
DIRECTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

(A) MOVEMENTS OF THE RESERVE

	Share Premium HK\$'000 <i>(Note 36(A))</i>	Capital redemption reserve HK\$'000 <i>(Note 36(D))</i>	Contributed surplus HK\$'000 <i>(Note 36(F))</i>	Accumulated losses HK\$'000	Total HK\$'000
As at 1 January 2020	290,303	25	83,489	(448,596)	(74,779)
Loss and total comprehensive expense for the year	–	–	–	(21,639)	(21,639)
As at 31 December 2020	290,303	25	83,489	(470,235)	(96,418)
As at 1 January 2021	290,303	25	83,489	(470,235)	(96,418)
Loss and total comprehensive expense for the year	–	–	–	(27,222)	(27,222)
Issue of new shares under rights issue, net of share issue expenses	57,738	–	–	–	57,738
As at 31 December 2021	348,041	25	83,489	(497,457)	(65,902)

36. RESERVES

(A) SHARE PREMIUM

The application of share premium is governed by the Companies Act 1981 of Bermuda (as amended).

(B) EXCHANGE RESERVE

The exchange reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations.

(C) INVESTMENT REVALUATION RESERVE (NON-CYCLING)

Investment revaluation reserve comprises the accumulated gains and losses arising from the fair value change of designated FVTOCI and is dealt with in accordance with the accounting policies adopted.

(D) CAPITAL REDEMPTION RESERVE

Capital redemption reserve has been set up and is dealt with on repurchases and cancellations of the Company's own shares. The application of the capital redemption reserve is governed by Section 42A of the Companies Act 1981 of Bermuda (as amended).

(E) CAPITAL RESERVE

Capital reserve represents the difference between the fair value of consideration paid or received and the change in the carrying value of non-controlling interests of a subsidiary in circumstances where changes in the Group's ownership interests in the subsidiary do not result in a loss of control.

36. RESERVES (continued)**(F) CONTRIBUTED SURPLUS**

Contributed surplus represents the amounts transferred from the share premium account as a result of a capital reorganisation undertaken by the Company in November 2002. Under the Companies Act 1981 of Bermuda (as amended), contributed surplus is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that:

- (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (ii) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

As at 31 December 2021 and 2020, there were no reserves available for distribution to the owners of the Company.

37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Details of the changes in the Group's liabilities from financing activities are as follows:

	Loans from directors HK\$'000	Loans from former directors HK\$'000	Due to a former director HK\$'000	Interest payables HK\$'000	Lease liabilities HK\$'000	Other borrowings HK\$'000	Total HK\$'000
Year ended 31 December 2021							
At the beginning of the reporting period	15,710	-	440	157	1,646	-	17,953
Interest expenses	-	-	-	1,234	29	-	1,263
Reclassification	(5,710)	5,710	-	-	-	-	-
Net cash inflows (outflows)							
Loan from a director raised	10,500	-	-	-	-	-	10,500
Other borrowings raised	-	-	-	-	-	5,000	5,000
Repayment of due to a former director	-	-	(440)	-	-	-	(440)
Repayment of loans from a director	(20,500)	-	-	-	-	-	(20,500)
Repayment of other borrowings	-	-	-	-	-	(5,000)	(5,000)
Repayment of lease liabilities	-	-	-	-	(853)	-	(853)
Interest paid	-	-	-	(1,391)	(29)	-	(1,420)
At the end of the reporting period	-	5,710	-	-	793	-	6,503



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For the year ended 31 December 2021

37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

	Loans from directors HK\$'000	Due to a former director HK\$'000	Interest payables HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
Year ended 31 December 2020					
At the beginning of the reporting period	2,840	–	–	3,052	5,892
Interest expenses	–	–	157	35	192
New lease entered	–	–	–	1,808	1,808
Reclassification	(440)	440	–	–	–
Net cash inflows (outflows)					
Loans from directors raised	13,310	–	–	–	13,310
Repayment of lease liabilities	–	–	–	(3,214)	(3,214)
Interest paid	–	–	–	(35)	(35)
At the end of reporting period	15,710	440	157	1,646	17,953

38. CAPITAL MANAGEMENT

The objectives of the Group's capital management are to safeguard its ability to continue as a going concern and to provide returns for shareholders. The Group manages its capital structure to maintain a balance between liquidity, investment and borrowings, and makes adjustments, including payment of dividends to shareholders or issues new shares in the light of changes in the economic environment. No changes were made in the Group's objectives, policies or processes in managing capital during the years ended 31 December 2021 and 2020.



39. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's principal financial instruments comprise designated FVTOCI, financial assets at FVTPL, pledged bank deposits, and bank balances and cash. The main purpose of these financial instruments is to raise or maintain financial resources for the Group's operations. The Group has various other financial instruments such as trade and other receivables, trade and other payables and lease liabilities which arise directly from its business activities.

As at 31 December 2021

	Financial assets at amortised cost HK\$'000	Financial assets at FVTPL HK\$'000	Designated FVTOCI HK\$'000	Total HK\$'000
Assets as per consolidated statement of financial position				
Designated FVTOCI	–	–	2,064	2,064
Financial assets at FVTPL	–	163	–	163
Trade and other receivables	7,028	–	–	7,028
Pledged bank deposits	669	–	–	669
Bank balances and cash	30,663	–	–	30,663
	38,360	163	2,064	40,587
				Financial liabilities at amortised cost HK\$'000
Liabilities as per consolidated statement of financial position				
Trade and other payables				26,402
Lease liabilities				793
				27,195

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39. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

As at 31 December 2020

	Financial assets at amortised cost HK\$'000	Financial assets at FVTPL HK\$'000	Designated FVTOCI HK\$'000	Total HK\$'000
Assets as per consolidated statement of financial position				
Designated FVTOCI	–	–	2,123	2,123
Financial assets at FVTPL	–	896	–	896
Trade and other receivables	10,912	–	–	10,912
Pledged bank deposits	755	–	–	755
Bank balances and cash	33,238	–	–	33,238
	44,905	896	2,123	47,924
Liabilities as per consolidated statement of financial position				
Trade and other payables				84,309
Lease liabilities				1,646
				85,955

The main risks arising from the Group's financial instruments are market risk (including equity price risk and foreign currency risk), credit risk and liquidity risk. The Group generally adopts conservative strategies on the Group's risk management and limits the Group's exposure to these risks to a minimum. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. The key policies on monitoring and controlling these risks are set out below.

(A) EQUITY PRICE RISK

The Group is exposed to price risks arising from equity investments held under financial assets at FVTPL amounted to HK\$163,000 (2020: approximately HK\$896,000), which are held for trading purposes.

The Group is also exposed to price risk arising from designated FVTOCI amounted to HK\$2,064,000 (2020: approximately HK\$2,123,000), which are held for strategic rather than trading purposes.



39. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES *(continued)*

(A) EQUITY PRICE RISK *(continued)*

The sensitivity analysis has been determined based on the exposure to equity price risk of equity investments under financial assets at FVTPL. At the end of the reporting period, if the equity price had been 15% (2020: 15%) higher or lower while all other variables were held constant, the Group's net loss would decrease or increase by approximately HK\$24,000 (2020: net profit would increase or decrease by approximately HK\$134,000) due to change in the fair value of financial assets at FVTPL.

The sensitivity analysis has also been determined based on the exposure to equity price risk of equity investments under designated FVTOCI. At the end of the reporting period, if the equity price to the valuation model had been 10% (2020: 10%) higher or lower while all other variables were held constant, the Group's net loss would have been unaffected since these equity investments are classified as designated FVTOCI. Investment revaluation reserve would increase or decrease by approximately HK\$206,000 (2020: approximately HK\$212,000) as a result of changes in fair value of designated FVTOCI.

The sensitivity analysis has been determined assuming that the reasonably possible changes in the stock market index or other relevant risk variables had occurred at the end of the reporting period and had been applied to the exposure to equity price risk in existence at that date. It is also assumed that the fair values of the Group's investments would change in accordance with the historical correlation with the relevant stock market index or the relevant risk variables, and that all other variables remain constant. The stated changes represent management's assessment of reasonably possible changes in the relevant stock market index or the relevant risk variables over the period until the next annual end of the reporting period. The analysis is performed on the same basis for 2020.

(B) FOREIGN CURRENCY RISK

The Group is not exposed to significant foreign currency risk as most of its monetary assets and monetary liabilities are denominated in the functional currency of the individual group entity. The management is of the opinion that the Group's exposure to foreign currency risk is minimal. Accordingly, no foreign exchange risk sensitivity analysis is presented. The significant balance carried in the exchange reserve account is occasioned by the translation of the financial statements of the Group's subsidiaries into the presentation currency of the consolidated financial statements of the Group at each reporting date.

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39. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

(C) CREDIT RISK

The carrying amount of financial assets recognised on the consolidated statement of financial position, which is net of impairment losses, represents the Group's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

Trade receivables

Management of the Group has a credit limit policy in place and exposures to credit risks are monitored on an ongoing basis. In order to minimise credit risk, management of the Group has established credit limits, credit approvals and other monitoring procedures to ensure appropriate actions are taken to recover overdue debts.

The Group's credit terms on sales mainly ranged from 30 to 90 days. Included in trade and other receivables are trade receivables (net of loss allowances) with the following ageing analysis by invoice date:

	2021 HK\$'000	2020 HK\$'000
Less than 1 month	1,452	8,963
1 to 3 months	757	409
More than 3 months but less than 12 months	683	312
More than 12 months	602	857
	3,494	10,541

At the end of the reporting period, the Group had a concentration risk as 13% (2020: 58%) and 40% (2020: 77%) of the total trade receivables were made up by the Group's largest customer and the five largest customers' outstanding balances respectively.

The Group's customer base consists of a wide range of clients and the trade receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group applies a simplified approach in calculating ECL for trade receivables and recognises a loss allowances based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected loss rate used in the provision matrix is calculated for each category based on actual credit loss experience and adjusted for current and forward-looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's estimate on future economic conditions over the expected lives of the receivables. There was no change in the estimation techniques or significant assumptions made during the year ended 31 December 2021.

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39. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

(C) CREDIT RISK (continued)

Trade receivables (continued)

The information about the exposure to credit risk and ECL for trade receivables using a provision matrix is summarised below.

	Telecommunication services					Financial solution and software development services and distribution business				
	Expected loss rate	Gross		Credit-impaired	Net carrying amount	Expected loss rate	Gross		Credit-impaired	Net carrying amount
		%	HK\$'000				Loss allowances HK\$'000	amount		
As at 31 December 2021										
Not past due	1	1,471	(19)	No	1,452	-	-	-	No	-
Less than 3 months past due	5	1,061	(55)	No	1,006	-	-	-	No	-
More than 3 months but less than 12 months past due	23	564	(130)	No	434	-	-	-	No	-
More than 12 months past due	88	4,913	(4,311)	Yes	602	100	4,608	(4,608)	Yes	-
		8,009	(4,515)		3,494		4,608	(4,608)		-
As at 31 December 2020										
Not past due	1	9,025	(63)	No	8,962	-	-	-	No	-
Less than 3 months past due	11	514	(57)	No	457	-	-	-	No	-
More than 3 months but less than 12 months past due	39	456	(176)	No	280	-	-	-	No	-
More than 12 months past due	84	5,354	(4,512)	Yes	842	100	4,421	(4,421)	Yes	-
		15,349	(4,808)		10,541		4,421	(4,421)		-

The Group does not hold any collateral over trade receivables as at 31 December 2021 and 2020.

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39. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES *(continued)*

(C) CREDIT RISK *(continued)*

Trade receivables *(continued)*

At the end of the reporting period, the Group recognised loss allowances of approximately HK\$9,123,000 (2020: approximately HK\$9,229,000) on the trade receivables. The movement in the loss allowances for trade receivables during the years ended 31 December 2021 and 2020 is summarised below.

	2021 HK\$'000	2020 HK\$'000
At the beginning of the reporting period	9,229	9,332
(Decrease) increase in allowance	(274)	515
Amount write off as uncollectible	–	(859)
Exchange adjustments	168	241
At the end of the reporting period	9,123	9,229

Other receivables

Management has credit risk policies in place for the amount due from other debtors, an associate and loan receivable from a non-controlling interest of a subsidiary and the exposure to the credit risk is monitored on an ongoing basis. Also, the Group has other monitoring procedures to ensure that follow-up action is promptly taken to recover overdue debts.

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the financial asset is credit-impaired, the Group has taken into account the historical actual credit loss experience for the debtors and the financial position of the counterparties by reference to, among others, their management or audited accounts and available press information, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. There was no change in the estimation techniques or significant assumptions made during the year ended 31 December 2021.

The Group has established the other receivables credit risk classification system and performs credit risk management based on other receivable classification in one of two categories of internal credit rating. The information about the ECL for the other receivables as at 31 December 2021 is summarised below. After considering the above factors, loss allowances of approximately HK\$276,000 were recognised during the year ended 31 December 2021 (2020: approximately HK\$3,282,000). As at 31 December 2021, loss allowances amounted to approximately HK\$29,187,000 (2020: approximately HK\$35,432,000).

39. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)**(C) CREDIT RISK** (continued)**Other receivables** (continued)

At 31 December 2021

Internal credit rating	Gross carrying amount HK\$'000	ECL	Loss allowances HK\$'000	Net carrying amount HK\$'000
Performing (Note i)	3,836	12-month	(302)	3,534
Underperforming (Note ii)	–	Lifetime	–	–
Not performing (credit impaired) (Note iii)	28,885	Lifetime	(28,885)	–
	32,721		(29,187)	3,534

At 31 December 2020

Internal credit rating	Gross carrying amount HK\$'000	ECL	Loss allowances HK\$'000	Net carrying amount HK\$'000
Performing (Note i)	371	12-month	–	371
Underperforming (Note ii)	–	Lifetime	–	–
Not performing (credit impaired) (Note iii)	35,432	Lifetime	(35,432)	–
	35,803		(35,432)	371

Notes:

- (i) Performing (Normal Credit Quality) refers to the other receivables that have not had a significant increase in credit risk and ECL in the next 12 months will be recognised.
- (ii) Underperforming (Significant Increase in Credit Risk) refers to the other receivables that have had a significant increase in credit risk and for which the lifetime ECL will be recognised.
- (iii) Not performing (credit impaired) refers to the other receivables that have had past due or it become probable that a debtor will enter into bankruptcy, for which the lifetime ECL will be recognised.



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39. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES *(continued)*

(C) CREDIT RISK *(continued)*

Other receivables *(continued)*

The movement in the loss allowances for the balances during the years ended 31 December 2021 and 2020 is summarised below.

	2021 HK\$'000	2020 HK\$'000
At the beginning of the reporting period	35,432	30,952
Increase in allowance	276	3,282
Amount written off	(7,521)	–
Exchange adjustments	1,000	1,198
At the end of the reporting period	29,187	35,432

Cash at banks

The credit risk on cash at banks balances is limited because majority of the counterparties are financial institutions with high credit-ratings assigned by international credit-rating agencies and state-owned banks with good reputation. No loss allowances were recognised for years ended 31 December 2021 and 2020.

39. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES *(continued)***(D) LIQUIDITY RISK**

Individual operating units within the Group are responsible for their own cash management. To minimise liquidity risks, management of the Group regularly reviews the current and expected liquidity requirements of operating units to ensure they maintain sufficient reserves of cash to meet operational needs so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities to meet their liquidity requirements in the short and longer terms.

The maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted payments is summarised below.

	On demand or less than 1 month HK\$'000	1 to 3 months HK\$'000	3 to 12 months HK\$'000	More than 1 year HK\$'000	Total contractual undiscounted cash flow HK\$'000	Total carrying value HK\$'000
As at 31 December 2021						
Trade and other payables	26,007	–	–	395	26,402	26,402
Lease liabilities	80	160	560	–	800	793
Bank guarantee commitments	628	–	–	–	628	–
	26,715	160	560	395	27,830	27,195
As at 31 December 2020						
Trade and other payables	56,284	28,025	–	–	84,309	84,309
Lease liabilities	72	72	816	720	1,680	1,646
Bank guarantee commitments	755	–	–	–	755	–
	57,111	28,097	816	720	86,744	85,955

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

40. FAIR VALUE MEASUREMENTS

The following presents the Group's financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy as defined in HKFRS 13, *Fair Value Measurement*, with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

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

(A) ASSETS MEASURED AT FAIR VALUE

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
As at 31 December 2021				
Designated FVTOCI				
Unlisted equity securities	–	–	2,064	2,064
Financial assets at FVTPL				
Equity investments listed in Hong Kong	163	–	–	163
	163	–	2,064	2,227
As at 31 December 2020				
Designated FVTOCI				
Unlisted equity securities	–	–	2,123	2,123
Financial assets at FVTPL				
Equity investments listed in Hong Kong	896	–	–	896
	896	–	2,123	3,019

During the years ended 31 December 2021 and 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

**40. FAIR VALUE MEASUREMENTS** *(continued)***(A) ASSETS MEASURED AT FAIR VALUE** *(continued)*

Description	Fair value at 31 December 2021 HK\$'000	Fair value at 31 December 2020 HK\$'000	Fair value hierarchy	Valuation techniques
<i>Assets</i>				
Financial assets at FVTPL				
– Equity investments listed in Hong Kong	163	896	Level 1	Quoted bid prices in an active market
Designated FVTOCI	2,064	2,123	Level 3	Net asset values as reported by management of investee companies
– unlisted equity securities				

(B) RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENT

	Designated FVTOCI HK\$'000
At 1 January 2020	2,384
Total losses: – in other comprehensive income	(261)
At 31 December 2020	2,123
Total gains: – in other comprehensive income	808
Disposal	(867)
At 31 December 2021	2,064

(C) FINANCIAL ASSETS AND LIABILITIES CARRIED AT AMORTISED COST

The carrying amount of the financial assets and liabilities of the Group that are carried at amortised cost are not materially different from their fair value as at 31 December 2021 and 2020.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

41. COMMITMENTS AND CONTINGENCIES

CAPITAL COMMITMENTS

The Group had no significant capital commitments at the end of the reporting period (2020: RMB70,000,000 equivalent to approximately HK\$82,600,000 in respect of its capital commitment for capital injection).

42. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation for the year ended 31 December 2021.

43. EVENTS AFTER THE REPORTING PERIOD

No significant event affecting the Company has occurred since the end of the year ended 31 December 2021.

SUMMARY OF RESULTS, ASSETS AND LIABILITIES OF THE GROUP



Results of the Group for the five years ended 31 December

	2021 HK\$'000	2020 HK\$'000	2019 HK\$'000	2018 HK\$'000	2017 HK\$'000
Revenue	103,513	72,376	79,210	67,920	71,675
(Loss) profit before taxation	(21,916)	16,781	(234,115)	(15,123)	(16,546)
Taxation (expenses) credits	(57)	103	8,943	(1,025)	(725)
(Loss) profit for the year	(21,973)	16,884	(225,172)	(16,148)	(17,271)
	HK cents	HK cents (Restated)	HK cents (Restated)	HK cents (Restated)	HK cents (Restated)
(Loss) earnings per share Basic and diluted	(1.8)	1.6	(20.2)	(1.1)	(1.7)

Assets and liabilities of the Group as at 31 December

	2021 HK\$'000	2020 HK\$'000	2019 HK\$'000	2018 HK\$'000	2017 HK\$'000
Non-current assets	55,564	2,277	58,665	116,118	96,048
Current assets	39,871	106,475	21,846	189,585	242,475
Total assets	95,435	108,752	80,511	305,703	338,523
Non-current liabilities	590	714	–	9,666	14,791
Current liabilities	28,297	86,541	78,612	67,292	115,401
Total liabilities	28,887	87,255	78,612	76,958	130,192
Net assets	66,548	21,497	1,899	228,745	208,331



SHAREHOLDER INFORMATION

SHAREHOLDER ENQUIRIES

Any enquiries relating to your shareholding, for example transfer of shares, change of name or address, or lost share certificates, should be sent to:

Principal Share Registrar and Transfer Office in Bermuda:
MUFG Fund Services (Bermuda) Limited
4th floor North Cedar House
41 Cedar Avenue
Hamilton HM12
Bermuda

Branch Share Registrar and Transfer Office in Hong Kong:
Tricor Secretaries Limited
Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

INVESTOR RELATIONS

Enquiries may be directed to:

Investor Relations
Great Wall Terroir Holdings Limited
Room 1005, 10/F.,
Tower Two, Lippo Centre,
No. 89 Queensway,
Hong Kong

Telephone: +852 2522 3800
Facsimile: +852 2111 2665
Email: investor@gwt.hk

CORPORATE COMMUNICATIONS

On 15 September 2003, the Company sent a letter to its shareholders (the "Shareholder(s)") to enable them to select, among others, to receive all future corporate communications of the Company in either the English language or the Chinese language or both languages. This annual report, in either the English language or the Chinese language or both languages, is being delivered to each Shareholder in accordance with his/her selection made or, if no selection has been made by Shareholder, the arrangement as set forth in the said letter.

The Shareholders may also obtain this annual report in the language other than that he/she now receives upon request to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong. For further enquiries, please contact Tricor Secretaries Limited at telephone no. 2980 1333 or facsimile no. 2861 1465.

股東亦可向本公司之股份過戶登記處香港分處卓佳秘書商務有限公司(地址為香港皇后大道東183號合和中心54樓)索取本年報之另一語言文本。如欲查詢更多資料,請聯絡卓佳秘書商務有限公司,電話號碼為2980 1333,傳真號碼為2861 1465。

This annual report, in both the English and the Chinese languages and in accessible format, has been made available on the Company's website and a soft copy thereof has been submitted to Hong Kong Exchanges and Clearing Limited.

The Shareholders may at any time choose to receive corporate communications in printed form or electronically.

In order to select to receive corporate communications of the Company in the English language or the Chinese language or both languages, or to receive electronic communications, or to revoke or amend an instruction previously made, the Shareholders may complete, sign and return to the Company or Tricor Secretaries Limited, the Company's branch share registrar and transfer office in Hong Kong, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong a prescribed instruction slip by mail or by email to greatwallt524-ecom@hk.tricorglobal.com, a copy of which is printed at the end of this annual report and is available on the Company's website (www.gwt.hk).



INSTRUCTION SLIP ON RECEIVING FUTURE CORPORATE COMMUNICATIONS

To: **Great Wall Terroir Holdings Limited (the "Company")**
c/o Tricor Secretaries Limited
Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

Please tick only one box of this instruction slip

1. PRINTED FORM

(a) *Full Financial Reports and other Corporate Communications (English, Chinese or both)*

In future,

- I/We would like to receive the printed copies of Full Financial Reports and other Corporate Communications in the English language only; OR
- I/We would like to receive the printed copies of Full Financial Reports and other Corporate Communications in the Chinese language only; OR
- I/We would like to receive the printed copies of Full Financial Reports and other Corporate Communications in both the English and Chinese languages.

(b) *Summary Financial Reports and other Corporate Communications (English, Chinese or both)*

In future,

- I/We would like to receive the printed copies of Summary Financial Reports (if available) and other Corporate Communications in the English language only; OR
- I/We would like to receive the printed copies of Summary Financial Reports (if available) and other Corporate Communications in the Chinese language only; OR
- I/We would like to receive the printed copies of Summary Financial Reports (if available) and other Corporate Communications in both the English and Chinese languages.

2. ELECTRONIC MEANS

- In future, I/we would like to receive the Corporate Communications through electronic means in lieu of any or all of the printed copies referred to in 1(a) and (b) above:

My/Our E-mail Address: _____
(for notification of Corporate Communication release)

- I/We would like to change my/our E-mail Address as follows:

My/Our New E-mail Address: _____
(for notification of Corporate Communication release)

With effect from: _____

Signature: _____ Date: _____

Name of Shareholder: _____

Address: _____

Contact telephone number: _____

Notes:

1. The above instruction will apply to all future Corporate Communications to be sent to the shareholders of the Company (the "Shareholders") until you notify the Company the otherwise by reasonable notice in writing.
2. All future Corporate Communications in both the English and Chinese languages will be available from the Company or Tricor Secretaries Limited, the Company's Branch Share Registrar and Transfer Office in Hong Kong, upon request.
3. The Shareholders are entitled to change the choice of language of and means of receiving Corporate Communications at any time by completing, signing and returning this instruction slip to the Company or Tricor Secretaries Limited, the Company's Branch Share Registrar and Transfer Office in Hong Kong, by mail or by email to greatwallt524-ecom@hk.tricorglobal.com.
4. A soft copy of this instruction slip is available on the Company's website.



關於將來收取公司通訊之 指示回條

致： 長城天下控股有限公司（「本公司」）
由卓佳秘書商務有限公司轉交
香港
皇后大道東183號
合和中心
54樓

請只在本指示回條中一個方格內劃上✓號

1. 印刷形式

(a) 完整財務報告及其他公司通訊 (英文、中文或中英文)

於將來，

- 本人／吾等欲僅收取完整財務報告及其他的公司通訊之英文印刷版本；或
 本人／吾等欲僅收取完整財務報告及其他的公司通訊之中文印刷版本；或
 本人／吾等欲收取完整財務報告及其他的公司通訊之中英文印刷版本。

(b) 財務摘要報告及其他公司通訊 (英文、中文或中英文)

於將來，

- 本人／吾等欲僅收取財務摘要報告 (如有) 及其他的公司通訊之英文印刷版本；或
 本人／吾等欲僅收取財務摘要報告 (如有) 及其他的公司通訊之中文印刷版本；或
 本人／吾等欲收取財務摘要報告 (如有) 及其他的公司通訊之中英文印刷版本。

2. 電子形式

- 於將來，本人／吾等欲以電子形式收取公司通訊以代替上文1(a)及(b)段所述之任何或所有印刷文本：

本人／吾等之電郵地址：_____ (通知發佈公司通訊適用)

- 本人／吾等欲更改本人／吾等之電郵地址如下：

本人／吾等之新電郵地址：_____ (通知發佈公司通訊適用)

生效日期：_____

簽署：_____ 日期：_____

股東姓名／名稱：_____

地址：_____

聯絡電話號碼：_____

附註：

- 上述指示適用於將來寄發予本公司股東（「股東」）之所有公司通訊，直至閣下於合理時間以書面通知本公司另作選擇為止。
- 將來所有公司通訊之中英文版本均在本公司或本公司之股份過戶登記處香港分處卓佳秘書商務有限公司可供索閱。
- 股東有權於任何時間填妥及簽署本指示回條並以郵寄方式或電郵至 greatwallt524-ecom@hk.tricorglobal.com，將其交回本公司或本公司之股份過戶登記處香港分處卓佳秘書商務有限公司，要求更改收取公司通訊之語言版本及形式。
- 本指示回條之電子格式檔於本公司網頁登載。



Great Wall Terroir
長 城 天 下

Great Wall Terroir Holdings Limited
長城天下控股有限公司

Room 1005, 10/F.,
Tower Two, Lippo Centre,
No. 89 Queensway,
Hong Kong

Tel.: +852 2522 3800
Fax: +852 2111 2665
Web: www.gwt.hk



減廢證書
WastewiSe
—Certificate—

