

Continental Aerospace Technologies Holding Limited 大陸航空科技控股有限公司

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

Stock Code 股份代號: 232

Annual Report
2021 年報



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CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS 主席報告以及管理層討論及分析

On behalf of the board (the "Board") of directors (the "Directors") of Continental Aerospace Technologies Holding Limited (the "Company"), I am pleased to present the annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2021.

OVERALL REVIEW

In 2021, the Group recorded revenue of HK\$1,416,409,000 (2020: HK\$1,246,809,000) and gross profit of HK\$348,409,000 (2020: HK\$182,199,000). The Group recorded loss for the year of HK\$55,972,000 (2020: HK\$756,738,000), which was mainly because of that the global general aviation piston aircraft market has recovered to grow from the Covid-19 pandemic, resulting in an improvement in the performance of the general aviation aircraft piston engine business, as well as the decrease in impairment of goodwill and other intangible assets, which recorded a loss of HK\$48,108,000 (2020: HK\$749,196,000) for the year.

Basic loss per share amounted to HK\$0.60 (2020: HK\$8.13). The return on equity, calculated on the basis of loss attributable to owners of the parent as a percentage of equity attributable to owners of the parent, was -2% (2020: -27%).

BUSINESS REVIEW

During the year, the Group has only one reportable operating segment– the general aviation aircraft piston engine business, which is involved in design, development and production of general aviation aircraft piston engines and spare parts as well as the provision of aftermarket services and support for piston engines.

本人謹代表Continental Aerospace Technologies Holding Limited大陸航空科技控股有限公司（「本公司」）之董事（「董事」）會（「董事會」）欣然提呈本公司及其附屬公司（「本集團」）截至二零二一年十二月三十一日止年度之全年業績。

整體回顧

於二零二一年，本集團錄得收益1,416,409,000港元（二零二零年：1,246,809,000港元）及毛利348,409,000港元（二零二零年：182,199,000港元）。本集團錄得本年虧損55,972,000港元（二零二零年：756,738,000港元），主要由於全球通航活塞飛機市場從新冠疫情中開始恢復增長，導致通用航空飛機活塞發動機業務業績改善，以及商譽及其他無形資產之減值減少，於年內錄得虧損為48,108,000港元（二零二零年：749,196,000港元）。

每股基本虧損為0.60港仙（二零二零年：8.13港仙）。股本回報率按母公司所有者應佔虧損佔母公司所有者應佔權益之百分比計算為-2%（二零二零年：-27%）。

業務回顧

年內，本集團只有一個須呈報之經營分部–通用航空飛機活塞發動機業務，從事通用航空飛機活塞發動機及備件的設計、開發及生產、以及提供活塞發動機的售後市場服務及支援。

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS 主席報告以及管理層討論及分析

In 2021, the general aviation aircraft piston engine business recognized revenue of HK\$1,416,409,000 (2020: HK\$1,246,809,000) and gross profit of HK\$348,409,000 (2020: HK\$182,199,000), and recorded loss for the year of HK\$48,108,000 (2020: HK\$749,196,000). The decrease in loss was mainly attributable to (i) decrease in impairment of goodwill and other intangible assets by HK\$464,616,000 during the year; (ii) decrease in selling and distribution expenses by HK\$69,736,000 during the year; other income from bank borrowings forgiveness and fair value gain on other financial liabilities of HK\$57,559,000 and HK\$12,525,000, respectively. Had the effect of the fair value adjustments on the identifiable assets acquired from the acquisition of the business in 2018 charged to current year's profit or loss of HK\$75,804,000 (2020: HK\$44,773,000) been excluded, the general aviation aircraft piston engine business would have recorded a profit of HK\$27,696,000 (2020: loss of HK\$704,423,000).

In 2021, the Covid-19 pandemic was still raging, global spread of Covid-19 coronavirus variants has deeply affected consumer and business behavior. U.S. economic recovery led the way among major developed economies. U.S. economic output has likely surpassed its pre-pandemic peak, jobs lost in 2020 have been recovered and even many of the hardest hit sectors of the economy are seeing recovery, while a labor shortage of 4 million plus is impacting all industries. The number of passengers transported by air continues to climb higher. However, the demand-side of the economy is experiencing robust recovery while the supply-side struggles to catch up from which many problems may arise. Supplier deliveries are historically slow, inventories are unusually low and job openings are at record levels.

於二零二一年，通用航空飛機活塞發動機業務確認了收益1,416,409,000港元（二零二零年：1,246,809,000港元）及毛利348,409,000港元（二零二零年：182,199,000港元），並錄得本年虧損48,108,000港元（二零二零年：749,196,000港元）。通用航空飛機活塞發動機業務錄得虧損減少主要由於本年度(i)商譽及其他無形資產之減值減少464,616,000港元；(ii)銷售及營銷費用減少69,736,000港元；及銀行借貸豁免和其他財務負債之公允值分別錄得收入57,559,000港元和12,525,000港元。假如撇除已在本年損益扣除之二零一八年收購該業務時可識別購入資產之公平值調整的影響75,804,000港元（二零二零年：44,773,000港元），則通用航空飛機活塞發動機業務錄得溢利27,696,000港元（二零二零年：虧損704,423,000港元）。

二零二一年，全球疫情仍然肆虐，新冠病毒變種的全球傳播深深影響了消費者和商業行為。美國經濟恢復在主要發達經濟體中領先。美國的經濟產出似乎已經超過疫情前的高峰，二零二零年失去的工作崗位已經得到恢復，很多受疫情衝擊最大行業的需求也開始恢復增長，但超過四百萬的勞動力短缺正在影響所有行業。航空運輸旅客數量在持續攀升。但是，與需求端的強勁恢復相比，供應端未能同期恢復，由此帶來很多問題。供應商的交付速度處於歷史低位，庫存水準不同尋常的低，而職位空缺處於歷史高位。



CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS 主席報告以及管理層討論及分析

According to the General Aviation Manufacturers Association (GAMA) 2021 report, the market for new aircraft with general aviation piston engine increased 5.5% year-on-year compared with the same period in 2020. The first half year showed strong demand across all aircraft types. It is encouraging to see that the industry began to bounce back from the impacts of the global pandemic, although the industry continued to face challenges in the second half year, especially with ongoing supply chain issues and pandemic related restrictions and constraints to global travel. The market for new aircraft with general aviation piston is expected to grow in 2022.

Despite the challenges of cost pressure and supply chain challenges arising from inflation, the Company successfully navigated a turbulent 2020 and rode on the recovery of 2021. The number of orders for the general aviation aircraft piston engine business in 2021 exceeded the same period of last year and the sales revenue for the whole year increased by 13.6% year-on-year. Due to intensifying inflationary cost pressures, the Company executed several pricing increases in 2021 to protect our profitability. We are closely observing the market trend, as well as cost increases, and proactively adjusting our operating strategy accordingly. Like many other companies, the Company still faces fragile supply chains and elevated absenteeism levels. Under the new leadership of the Company, we are determined to be the first choice in general aviation power industry by continuously innovating and returning value to customer and shareholders.

根據全球通航製造商協會 (GAMA) 二零二一年度報告，全球通航活塞新飛機市場同比二零二零年增長5.5%，上半年所有類型飛機都呈現出強勁的需求。行業開始從全球疫情的影響中恢復是令人鼓舞的，但是，整個行業在下半年開始遇到挑戰，特別是持續的供應鏈問題和與疫情相關的全球旅行限制。預計二零二二年通航活塞新飛機市場將會有所增長。

儘管面對通脹帶來的成本壓力及供應鏈挑戰，公司度過了動盪的二零二零年並開始從二零二一年的經濟恢復中獲益，通用航空飛機活塞發動機業務二零二一年全年訂單數量超越去年同期和全年之銷售收入同比增長13.6%。由於不斷增加的通脹成本壓力，公司在二零二一年進行了幾次提價以保護公司利潤水準。我們正在密切關注市場趨勢以及成本增加的情況，並積極調整我們的運營策略。如很多其他公司一樣，公司仍然面臨脆弱的供應鏈和高企的缺勤率。在新管理團隊的領導下，公司將致力於通過持續創新和為客戶、股東創造價值，成為通航動力的第一選擇。

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS 主席報告以及管理層討論及分析

Our modernisation program for the Blue Marlin factory located in Mobile, Alabama USA has successfully completed the production preparation and put-into-operation of the crankshaft production equipment, and has completed the transfer of cylinder barrel machining, fuel/ignition systems, camshaft milling, and cylinder assembly machining. The test bench and thermal surface treatment were also delivered and tested. To continually improve manufacturing efficiency, the Company is also accelerating delivery and production preparation of the crankcase, cylinder, and camshaft by an average of 6 months. Primary product processes will be fully transferred and put into production in early 2023. This brand-new factory is anticipated to significantly increase capacity in the future while ensuring a competitive cost base, therefore improving profit margins.

FINANCIAL REVIEW

Goodwill

The Group's goodwill acquired through business combination has been allocated to a cash-generating unit in USA ("USA CGU") and a cash-generating unit in Germany ("Germany CGU"). As at 31 December 2021, the entire amount of goodwill related to the Germany CGU was HK\$14,163,000 (2020: HK\$14,927,000). The impairment assessment of USA CGU and Germany CGU was performed with the support of Duff & Phelps, LLC., an independent professionally qualified valuer.

No impairment loss has been recognised on goodwill of Germany CGU for the year 31 December 2021. For the last year, the goodwill of HK\$385,770,000 directly related to USA CGU was impaired which was mainly due to the Covid-19 pandemic and the deteriorated economic environment.

我們位於美國阿拉巴馬州莫比爾市的藍色金槍魚工廠現代化改造計畫，成功完成了曲軸生產設備的生產準備並投產，並完成了缸體、燃油／點火系統、凸輪軸和氣缸元件生產設備的轉移。測試台和熱表處理已經交付並完成測試。為提升製造效率，公司加快了曲軸箱、氣缸、凸輪軸設備的交付和生產準備速度，平均提前了六個月。主要生產工序將在二零二三年初全部轉移和進入生產。這個全新的工廠將顯著提升公司未來的生產能力，確保公司的成本競爭力，提高利潤率。

財務回顧

商譽

本集團透過業務合併取得之商譽已分配至美國的現金產生單元（「美國現金產生單元」）及德國的現金產生單元（「德國現金產生單元」）。於二零二一年十二月三十一日，與德國現金產生單元相關的全部商譽金額為14,163,000港元（二零二零年：14,927,000港元）。美國現金產生單元及德國現金產生單元的減值評估是在獨立專業合資格估價師Duff & Phelps, LLC.的協助下進行的。

截至二零二一年十二月三十一日止年度，並無確認德國現金產生單元商譽之減值虧損。去年，與美國現金產生單元直接相關的385,770,000港元商譽發生減值，主要原因是Covid-19疫情及經濟環境惡化。



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Other intangible assets

Other intangible assets consist of development programs in progress, trademarks, product technology, licence and completed programs, customer relationships and others. As at 31 December 2021, the Group's other intangible assets were HK\$1,564,078,000 (2020: HK\$1,657,066,000).

Impairment of other intangible assets of HK\$6,428,000 (2020: HK\$85,274,000) was recognized for the year 31 December 2021.

A joint venture and an associate

The Group has discontinued the recognition of its share of losses of a joint venture as the share of losses of the joint venture exceeded the Group's interest in it and the Group has no obligation to take up further losses. During the year, the Group recorded share of losses of an associate in an aggregate of HK\$4,130,000(2020: HK\$1,191,000).

On 30 November 2020, the Group entered into a share purchase agreement with an independent third party, pursuant to which the purchaser agreed to acquire the Group's equity interest held in the joint venture with a consideration of RMB11,500,000. The disposal was not completed as at 31 December 2021.

Administrative expenses

Administrative expenses consist of salaries and wages, product liability expenses, legal and professional expenses and other general expenses. During the year, the Group recorded administrative expenses of HK\$338,303,000 (2020: HK\$316,682,000).

其他無形資產

其他無形資產包括進行中發展計劃、商標、產品技術、牌照及已完成的計劃、客戶關係及其他。於二零二一年十二月三十一日，本集團的其他無形資產為1,564,078,000港元(二零二零年：1,657,066,000港元)。

截至二零二一年十二月三十一日止年度確認其他無形資產減值金額6,428,000港元(二零二零年：85,274,000港元)。

合營公司及聯營公司

本集團已終止確認分佔一間合營公司之虧損，此乃由於分佔該合營公司之虧損已超逾本集團於該公司的權益，而本集團已無責任承擔進一步虧損。於年內，本集團錄得分佔聯營公司虧損總額4,130,000港元(二零二零年：1,191,000港元)。

於二零二零年十一月三十日，本集團與獨立第三方簽訂股份交易合同，按此，買家同意收購本集團所持該合營公司之股本權益，代價為人民幣11,500,000元。該出售於二零二一年十二月三十一日尚未完成。

行政管理費用

行政管理費用包括薪金及工資、產品責任費用、法律及專業費用以及其他一般費用。年內，本集團錄得行政管理費用338,303,000港元(二零二零年：316,682,000港元)。

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS 主席報告以及管理層討論及分析

LIQUIDITY, CAPITAL STRUCTURE AND FINANCIAL RESOURCES

The Group has consistently maintained sufficient working capital. As at 31 December 2021, the Group had current assets of HK\$1,290,759,000 (2020: HK\$1,553,030,000), including cash and bank balances and time deposits in an aggregate of HK\$623,119,000 (2020: HK\$914,072,000). The Group's current liabilities as at 31 December 2021 were HK\$390,863,000 (2020: HK\$612,235,000).

As at 31 December 2021, the Group's total equity amounted to HK\$2,784,461,000 (2020: HK\$2,846,140,000), comprising issued capital of HK\$930,337,000 (2020: HK\$930,337,000) and reserves of HK\$1,854,124,000 (2020: HK\$1,915,803,000). The Group's interest-bearing debts included bank borrowings of HK\$Nil (2020: HK\$252,902,000) and lease liabilities of HK\$311,018,000 (2020: HK\$314,897,000). The Group's gearing ratio, calculated on the basis of the interest-bearing debts as a percentage of total equity plus the interest-bearing debts, was 10% (2020: 17%).

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2021, none of the Group's assets was pledged. As at 31 December 2020, the Group has granted a continuing security interests in all assets of a subsidiary as the collaterals of certain bank loans.

EXPOSURE TO FOREIGN CURRENCY RISK

As most of the Group's business transactions, assets and liabilities are principally denominated in the functional currencies of the operating units, the Group's exposure to foreign currency risk is minimal.

資金流動性、資本架構及財務資源

本集團一貫保持充足營運資金。於二零二一年十二月三十一日，本集團有流動資產1,290,759,000港元（二零二零年：1,553,030,000港元），其中包括現金及銀行結存及定期存款合共623,119,000港元（二零二零年：914,072,000港元）。本集團於二零二一年十二月三十一日之流動負債為390,863,000港元（二零二零年：612,235,000港元）。

於二零二一年十二月三十一日，本集團之權益總值為2,784,461,000港元（二零二零年：2,846,140,000港元），由已發行股本930,337,000港元（二零二零年：930,337,000港元）及儲備1,854,124,000港元（二零二零年：1,915,803,000港元）所組成。本集團之計息債務包括銀行借貸零港元（二零二零年：252,902,000港元）及租賃負債311,018,000港元（二零二零年：314,897,000港元）。本集團之資本負債率按計息債務佔權益總值加計息債務之百分比計算為10%（二零二零年：17%）。

本集團資產抵押

於二零二一年十二月三十一日，本集團概無資產抵押。於二零二零年十二月三十一日，本集團已授出一間附屬公司之所有資產的持續抵押權益作為若干銀行貸款的抵押品。

外匯風險

由於本集團的大部份業務交易、資產及負債均主要以營運單位之功能貨幣結算，因此本集團所承受的外匯風險極微。



CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS 主席報告以及管理層討論及分析

MATERIAL ACQUISITIONS AND DISPOSALS

Save for the transactions described elsewhere in this announcement, the Group had no material acquisitions or disposals during the year.

CONTINGENT LIABILITIES

As at 31 December 2021, the Group did not have any significant contingent liabilities (2020: Nil).

ENVIRONMENTAL AND REGULATORY COMPLIANCE

Environmental protection and the effective use of natural resources have gradually become an important concept in modern economic growth. The Group has been keeping track of the major trends in environmental protection around the world and has been making an effort to integrate the concept of environmental protection in its operations. Based on new technology and management approach, the Group strictly controls its environmental impact and resource usage such that cleaner production featuring lower pollution and lower emissions thus sustainable development can be achieved.

The Group strictly complies with all applicable laws and regulations released by the relevant authorities which are material to us. Throughout the year 2021, there was no non-compliance with the relevant laws and regulations that had a significant impact on the Group.

重大收購及出售

除本公告另有所述之交易外，本集團於年內並無任何重大收購或出售。

或然負債

於二零二一年十二月三十一日，本集團並無任何重大或然負債（二零二零年：無）。

環境及法規的遵從

保護環境及善用天然資源已逐步成為現代經濟發展的重要觀念，本集團一直密切關注全球環保的大趨勢，並一直在努力將環境保護的概念融入營運模式中。本集團採用新科技、新管理配套，嚴格控制環境影響及資源使用，致力打造低污染低排放的清潔生產模式，從而實現可持續發展經濟的重要方向。

本集團嚴格遵循所有由相關監管部門發佈而對公司有重要影響的相關的適用法律及規例。於二零二一年全年，本集團沒有不遵守對其業務有重大影響的有關法律及規例的事故。

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

主席報告以及管理層討論及分析

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2021, there were 510 (2020: 560) employees in the Group. The employees' wages and salaries amounted to HK\$208,768,000 (2020: HK\$233,668,000) for the year ended 31 December 2021. The Group recognises the importance of good relationship with employees. The Directors believe that the working environment and benefits offered to employees have contributed to building good staff relations and retention. The Group's remuneration policies are formulated based on the performance of individual employees and market conditions and are reviewed regularly. The Group also provides other staff benefits including medical and life insurance, and grants discretionary incentive bonuses and share options to eligible staff based on their performance and contributions to the Group.

OUTLOOK

Entering 2022, some countries and areas already started reclassifying Covid-19 as an epidemic instead of pandemic. The impact of the pandemic on the economy is expected to be reduced. At the same time, there were signs that global supply chain and logistics bottlenecks were beginning to ease in 2022, and we expect further improvement as we move through the end of this year. But there is still a long way to go before supply chains are functioning normally. With production having been curtailed in 2021, manufacturers and developers ended the year of 2021 with sizable backlogs of unfilled orders. Backfilling these orders will also be a tailwind for sales improvement in 2022.

僱員及薪酬政策

於二零二一年十二月三十一日，本集團共有僱員510名（二零二零年：560名）。截至二零二一年十二月三十一日止年度，僱員工資及薪金為208,768,000港元（二零二零年：233,668,000港元）。本集團重視與僱員保持良好關係。董事認為，為僱員提供優越的工作環境及福利，有助建立良好員工關係及挽留員工。本集團的薪酬政策乃根據各員工的表現及市場情況制定並定期進行檢討。本集團並為僱員提供其他福利包括醫療及人壽保險，以及按個別僱員之表現及其對本集團作出之貢獻，向合資格僱員授予酌情性獎勵花紅及購股權。

展望

進入二零二二年，部分國家和地區開始將新冠疫情從全球流行病改為地方性流行病，疫情對經濟的影響將有望減小。同時，有跡象表明，全球供應鏈和物流瓶頸有望在二零二二年開始緩解，我們期望到年底有更好的改善，但距離供應鏈完全恢復正常仍有很長的路要走。由於二零二一年生產的限制，製造商和開發商在二零二一年底都積累了相當數量的未交付訂單，交付這些積壓訂單也將是二零二二年的銷售產生有利影響。



CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS 主席報告以及管理層討論及分析

The Company strives to be the innovative leader in general aviation power system. The Company continually launched a new OEM application platform and won interest and commitment from new and existing OEM clients. We have streamlined the Jet-A product portfolio; focused on adding value to newer products and technologies and developed strategic initiatives in line with feedback of the market and our customers. Currently, the global research and development (R&D) team continues to work on the development of multiple projects for both the Avgas and Jet-A product lines.

In summary, the Company delivered a very strong 2021 result. 2022 presents many growth opportunities with headwinds. The Company looks forward to produce reliable products and serve customer worldwide by building world class facilities that sets the new standard in the GA industry. Along with the recent leadership changes and the new-built facility in Mobile, the Company continues to create a safe, innovative workplace by streamlining products and lean processes, and to increase market share, enhance product support and improve customer satisfaction, ultimately achieving stable and profitable growth for the Company.

APPRECIATION

I would like to take this opportunity to express my appreciation to my fellow Directors and all our staff for their support, hard work and dedication.

By order of the Board of

Continental Aerospace Technologies Holding Limited

Lai Weixuan

Chairman

Hong Kong, 31 March 2022

公司致力於成為通航動力系統創新的領導者。公司不斷推出了新的OEM應用平台，並獲得了新舊OEM客戶的興趣和承諾。公司簡化了Jet-A產品組合，聚焦於為更新的產品和技術增加價值，推出了符合市場和客戶需求的戰略舉措。目前，全球研發團隊正在繼續開發Avgas和Jet-A兩個產品線上的眾多專案。

總體而言，公司二零二一年表現良好，二零二二年機遇與挑戰並存。公司期望通過在建立了通航行業新標準的世界水準工廠裡生產高品質的產品，服務全球客戶。隨著公司管理團隊的變化和位於莫比爾市新工廠的建成，公司將繼續通過簡化產品、精益流程來創造一個安全、創新的工作環境，增加市場份額，提升產品支援並提高客戶滿意度，最終實現公司穩定、有效益的增長。

致謝

本人謹此向各董事及全體職員所作出之重大貢獻、努力不懈及盡忠職守表示深切謝意。

承董事會命

Continental Aerospace Technologies

Holding Limited

大陸航空科技控股有限公司

賴偉宣

主席

香港，二零二二年三月三十一日

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及管理高層之履歷

EXECUTIVE DIRECTORS

Mr. Lai Weixuan, aged 57, has been an executive Director since June 2015 and the chairman of the Company and a member of the remuneration committee of the Company (the "Remuneration Committee") since August 2019. He has resigned as an executive Director, chairman of the Company and a member of the Remuneration Committee on 1 April 2022. He is a senior accountant, holding doctorate degree in Management of Tongji University and an EMBA of Guanghua School of Management, Peking University. Mr. Lai is now the chairman of AVIC International Holding Corporation ("AVIC International") and AVIC International (HK) Group Limited ("AVIC International (HK) Group"). Mr. Lai joined AVIC International Shenzhen Company Limited ("AVIC Shenzhen"), a wholly owned subsidiary of AVIC International, in 1983. He previously served as the deputy general manager of AVIC Shenzhen, the chairman of Fiyta Holdings Limited ("Fiyta"), the deputy chairman of Tianma Microelectronics Co., Ltd. ("Tianma") and the chairman of Rainbow Department Store Co., Ltd. ("Rainbow Department Store"). Fiyta, Tianma and Rainbow Department Store are companies listed on Shenzhen Stock Exchange. Mr. Lai has rich experience in finance and operation management, and once acted as an executive director of AVIC International Holdings Limited ("AVIC IHL") from 2004 to 2012 and 2014 to 2020.

執行董事

賴偉宣先生，57歲，自二零一五年六月出任執行董事，並自二零一九年八月起同時出任本公司主席及薪酬委員會（「薪酬委員會」）成員。賴先生已於二零二二年四月一日辭任執行董事、本公司主席及薪酬委員會成員。賴先生為高級會計師，同濟大學管理學博士及北京大學光華管理學院EMBA。賴先生現為中國航空技術國際控股有限公司（「中航國際」）及中航國際（香港）集團有限公司（「中航國際（香港）集團」）董事長。賴先生於一九八三年加入中航國際之全資附屬公司中國航空技術深圳有限公司（「中航深圳」）。賴先生曾任中航深圳副總經理、飛亞達（集團）股份有限公司（「飛亞達」）董事長、天馬微電子股份有限公司（「天馬」）副董事長及天虹商場股份有限公司（「天虹商場」）董事長。飛亞達、天馬及天虹商場之股份於深圳證券交易所上市。賴先生具有豐富之財務及經營管理經驗，曾於二零零四年至二零一二年及二零一四年至二零二零年於中航國際控股股份有限公司（「中航國際控股」）擔任執行董事。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及管理高層之履歷

Mr. Huang Yongfeng, aged 47, has been an executive Director and a member of nomination committee of the Company (the "Nomination Committee") since January 2021 and the chairman of the Company from 1 April 2022. He obtained a Master degree in management engineering from Beihang University and an Executive Master of Business Administration degree from China Europe International Business School. Mr. Huang is currently the deputy general manager of AVIC International. He previously served as the chairman and general manager of AVIC International Holding (Zhuhai) Co., Ltd., the general manager assistant of AVIC International, the deputy general manager, the general manager assistant and the manager of corporate strategy and management department of AVIC Shenzhen, the chairman of Castic-SMP Machinery Corp Ltd and the board secretary of AVIC IHL. Further, he was also previously a chairman of FIYTA Precision Technology Co., Ltd and a director of each of AVIC Sunda Holding Company Limited (中航善達股份有限公司), Rainbow Department Store and Tianma, which shares are listed and traded on the Shenzhen Stock Exchange. Mr. Huang has extensive experience in financial management, investment and financing management, mergers and acquisitions, as well as aviation manufacturing and aviation operation areas. He is also a chairman of three subsidiaries of the Group.

Ms. Jiao Yan, aged 55, has been an executive Director since August 2021. She obtained a Bachelor's Degree in Law from Peking University. She is currently the board secretary and the general counsel of AVIC International. Ms. Jiao previously served as a director of regulations, the deputy general counsel and the minister of audit and legal department of AVIC International. She is also a director of a subsidiary of the Group.

黃勇峰先生，47歲，自二零二一年一月出任執行董事及提名委員會（「提名委員會」）成員及自二零二二年四月一日起出任本公司主席。黃先生持有北京航空航天大學管理工程碩士學位元及中歐國際工商學院高層管理人員工商管理碩士學位。黃先生現出任中航國際副總經理。彼曾任中航國際控股（珠海）有限公司董事長及總經理、中航國際總經理助理、中國航空技術深圳有限公司副總經理、總經理助理及企業戰略與管理部經理、深圳中施機械設備有限公司董事長、中航國際控股董事會秘書、飛亞達精密科技股份有限公司（「飛亞達精密科技」）董事長、中航善達股份有限公司（「中航善達」）董事、天虹商場董事及天馬董事（飛亞達精密科技、中航善達、天虹商場及天馬股份於深圳證券交易所上市及買賣）。黃先生在財務管理、投融資管理、投資併購及航空製造和航空運營領域有著豐富的經驗。黃先生亦為本集團三間附屬公司之董事長。

焦燕女士，55歲，自二零二一年八月出任執行董事。焦女士持有北京大學法學學士學位。焦女士現任中航國際董事會秘書及總法律顧問。焦女士曾任中航國際法規部部長、副總法律顧問，及審計法律部部長。焦女士亦為本集團一間附屬公司之董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及管理高層之履歷

Mr. Yu Xiaodong, aged 49, has been an executive Director since August 2018 and a member of the Remuneration Committee and the Chief Executive Officer from 1 April 2022. He obtained a Master's Degree in International Trade from University of International Business and Economics in 1997. He previously served as the project manager of AVIC International, the assistant general manager of AVIC International Harbin Company (中航國際哈爾濱公司), the operations management vice director of the international cooperation department of AVIC International, the organisational performance director of the human resources department of AVIC International, the vice general manager of the human resources department of AVIC International and the general manager of the auditing department of AVIC International. He is also the director of six subsidiaries of the Group.

Mr. Zhao Yang, aged 51, has been an executive Director and the Chief Executive Officer of the Company since August 2019. He has resigned as the Chief Executive Officer on 1 April 2022 but will continue to serve the Company as an executive Director. Mr. Zhao previously served as the Chief Financial Officer of the Company starting from January 2017. Mr. Zhao is also a director of Tacko and certain subsidiaries of the Company. He holds a Bachelor's degree in Finance from Nankai University and EMBA degree from China Europe International Business School. Mr. Zhao is a senior economist. Prior to joining the Group, Mr. Zhao held senior management positions in different companies, of which two are Shenzhen listed companies. Mr. Zhao has over 25 years of experience in accounting and finance.

于曉東先生，49歲，自二零一八年八月出任執行董事及自二零二二年四月一日起出任薪酬委員會成員及本公司行政總裁。于先生於一九九七年獲頒對外經濟貿易大學國際貿易碩士學位。彼曾任中航國際項目經理、中航國際哈爾濱公司協理、中航國際國際合作部運作管理處副總監、中航國際人力資源部架構績效處總監、中航國際人力資源部副總經理及中航國際審計部總經理。于先生亦為本集團六間附屬公司之董事。

趙揚先生，51歲，自二零一九年八月起出任執行董事及本公司行政總裁。趙先生自二零一七年一月起曾擔任本公司的財務總監。趙先生已於二零二二年四月一日辭任本公司行政總裁，但仍將於本公司擔任執行董事。趙先生同時出任Tacko董事，並為本公司若干附屬公司董事。趙先生持有南開大學金融學士學位及中歐國際工商學院EMBA，並為高級經濟師。在加盟本集團之前，趙先生曾於多間公司擔任高級管理職務，其中兩間為深圳上市公司。趙先生在會計及財務方面擁有逾25年經驗。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及管理高層之履歷

Mr. Li Peiyin, aged 35, has been appointed as an executive Director on 1 April 2022. He obtained a Bachelor's Degree in Accounting from Yantai University, China, in July 2007, a Master's Degree in Accounting from Xiamen University, China, in June 2010 and a Master's Degree in Business Administration from Missouri State University, the United States of America, in July 2015. He has been a member of the Chinese Institute of Certified Public Accountants since April 2014. Mr. Li has more than 11 years of experience in corporate financial management. Mr. Li has been working at the finance department of AVIC International since August 2010 and he is currently the head of the finance department there. Mr. Li is also a director of Continental Aerospace Technologies Limited, a wholly-owned subsidiary of the Company. Moreover, Mr. Li has been acting as the director of Rainbow Digital Commercial Company Limited, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002419.SZ), since February 2021, FIYTA Precision Technology Company Limited, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000026.SZ), since February 2021 and Shennan Circuit Company Limited, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002916.SZ), since April 2021.

李培寅先生，35歲，自二零二二年四月一日起出任執行董事。李先生於二零零七年七月取得中國煙台大學會計學士學位，於二零一零年六月取得中國廈門大學會計碩士學位及於二零一五年七月取得美利堅合眾國密蘇里州立大學工商管理碩士學位。李先生自二零一四年四月起成為中國註冊會計師協會會員。李先生於企業財務管理方面擁有逾11年經驗。李先生自二零一零年八月起任職於中航國際財務部，現任該財務部主管。李先生亦為本公司全資附屬公司大陸航空科技集團有限公司董事。此外，李先生自二零二一年二月起出任天虹數科商業股份有限公司（其股份於深圳證券交易所上市，股票代碼：002419.SZ）董事，自二零二一年二月起出任飛亞達精密科技（其股份於深圳證券交易所上市，股票代碼：000026.SZ）董事及自二零二一年四月起出任深南電路股份有限公司（其股份於深圳證券交易所上市，股票代碼：002916.SZ）董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及管理高層之履歷

NON-EXECUTIVE DIRECTOR

Mr. Chow Wai Kam, JP, aged 74, has been a non-executive Director since June 2015. He obtained a Bachelor of Arts degree in Architectural Studies and a Bachelor of Architecture degree from the University of Hong Kong in November 1970 and November 1972, respectively. He has been an Authorised Person (List of Architects) and a Registered Architect since July 1976 and January 1991, respectively. He was also admitted as a Fellow of The Hong Kong Institute of Architects since August 2001. He is currently an executive director of CK Asset Holdings Limited (“CKAH”), a company listed on the main board of the Stock Exchange. Mr. Chow joined the Hutchison Group in July 1995 and was the group managing director of the property and hotels divisions of the Hutchison Group since 2000. He is now the group managing director of Hutchison Property Group Limited, a wholly-owned subsidiary of CKAH. He has over 40 years of experience in project management and architectural design for various developments, including hotel, residential, commercial, industrial and school projects in Hong Kong, the Mainland China and overseas.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chu Yu Lin, David, JP, SBS, aged 78, has been an independent non-executive Director since May 1999. He is also a member of the Nomination Committee and the chairman of each of the audit committee of the Company (the “Audit Committee”) and the Remuneration Committee. Mr. Chu received his Master of Business Administration degree from Harvard University after degrees in Electrical Engineering and Management at Northeastern University and was awarded an honorary Doctor of Public Service degree from Northeastern University. He worked for a number of sizeable international corporations such as Bank of America, General Electric Co. and Jardine Matheson & Company Limited. Mr. Chu is an independent non-executive director of Chuang’s Consortium International Limited, and was an independent non-executive director of Zhuhai Holdings Investment Group Limited until June 2021, all being listed on the main board of the Stock Exchange.

非執行董事

周偉淦先生，太平紳士，74歲，自二零一五年六月出任非執行董事。周先生分別於一九七零年十一月及一九七二年十一月獲得香港大學建築學文學士學位及建築學學士學位。並分別自一九七六年七月及一九九一年一月起成為認可人士(建築師名單)及註冊建築師。自二零零一年八月起，周先生成為香港建築師學會資深會員。周先生現為於聯交所主板上市之長江實業集團有限公司(「長實集團」)之執行董事。周先生於一九九五年七月加入和黃集團，並自二零零零年起曾任和黃集團之物業及酒店部門集團董事總經理。周先生現任長實集團之全資附屬公司和記地產集團有限公司集團董事總經理。周先生於各類發展之項目管理與建築設計方面，包括於香港、中國與海外之酒店、住宅、商業、工業及校舍項目有逾四十年經驗。

獨立非執行董事

朱幼麟先生，JP, SBS, 78歲，自一九九九年五月出任獨立非執行董事。朱先生同時出任本公司提名委員會成員、審核委員會及薪酬委員會成員兼主席。朱先生持有美國東北大學電機工程及管理學學位，後獲哈佛大學頒授工商管理碩士學位及獲美國東北大學頒發名譽博士學位(公共服務)。朱先生曾於多間頗具規模之國際機構如美國銀行、General Electric Co.及怡和洋行有限公司工作。朱先生現出任莊士機構國際有限公司獨立非執行董事，亦曾擔任珠海控股投資集團有限公司獨立非執行董事直到二零二一年六月(上述公司全部均於聯交所主板上市)。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及管理高層之履歷

Mr. Li Ka Fai, David, aged 67, has been an independent non-executive Director since December 2007. He is also a member of the Audit Committee and the Remuneration Committee. Mr. Li holds a Bachelor of Science honours degree in Chemistry and Administration. He is the senior advisor of SHINEWING (HK) CPA Limited. Mr. Li is also a fellow of the Association of Chartered Certified Accountants, UK. He is an independent non-executive director of China Merchants Port Holdings Company Limited, China-Hongkong Photo Products Holdings Limited, Cosmopolitan International Holdings Limited, Goldlion Holdings Limited, Shanghai Industrial Urban Development Group Limited, and Wai Yuen Tong Medicine Holdings Limited, and was an independent non-executive director of CR Construction Group Holdings Limited until June 2021, all being listed on the main board of the Stock Exchange.

Mr. Zhang Ping, aged 57, has been an independent non-executive Director since May 2017. He is also a chairman and member of the Nomination Committee and the member of Audit Committee. He received a doctoral degree in Economics from Chinese Academy of Social Science Graduate School (中國社會科學院研究生院). Mr. Zhang started working at the Institute of Economics under Chinese Academy of Social Science (中國社會科學院經濟研究所) since July 1988. He once led and organized key national research project on economics. He published several essays based on theory research and surveys. His major research fields are the growth of China economy and macroeconomic policies. Mr. Zhang was an independent non-executive director of AVIC IHL until December 2014 and an independent director of Minsheng Tonghui Asset Management Co., Ltd (民生通惠資產管理有限公司) until December 2021.

SENIOR MANAGEMENT

Mr. Lin Jining, aged 51, joined the Group in June 2018 as deputy chief financial officer and is responsible for the Group's corporate finance, accounting and treasury functions. He holds a Bachelor's degree in accounting and economic from University of Xiamen. Mr. Lin held senior management positions in different companies. He has over 25 years of experience in accounting and finance and international aviation business.

李家暉先生，67歲，自二零零七年十二月出任獨立非執行董事。李先生同時出任審核委員會及薪酬委員會成員。李先生持有化學及管理榮譽理學士學位。李先生現時為信永中和(香港)會計師事務所有限公司高級顧問。李先生亦為英國特許公認會計師公會資深會員。李先生現出任招商局港口控股有限公司、中港照相器材集團有限公司、四海國際集團有限公司、金利來集團有限公司、上海實業城市開發集團有限公司及位元堂藥業控股有限公司獨立非執行董事，亦曾擔任華營建築集團控股有限公司獨立非執行董事直到二零二一年六月(上述公司全部均於聯交所主板上市)。

張平先生，57歲，自二零一七年五月出任獨立非執行董事。張先生同時出任提名委員會主席及審核委員會成員。張先生獲得中國社會科學院研究生院經濟博士學位。張先生自一九八八年七月開始在中國社會科學院經濟研究所工作。彼曾領導及主持多項重點國家經濟研究項目。彼在理論研究和調查的基礎上寫出了諸多論著，主要研究領域為中國經濟增長和宏觀經濟政策。張先生曾擔任中航國際控股的獨立非執行董事直到二零一四年十二月及民生通惠資產管理有限公司獨立董事直到二零二一年十二月。

管理高層

林紀寧先生，51歲，二零一八年六月加入本公司擔任副財務總監，並負責處理本集團之企業融資、會計及財政等職務。林先生持有廈門大學會計系經濟學學士學位。在加盟本集團之前，林先生曾於多間公司擔任高級管理職務。林先生在會計財務方面、以及國際航空及相關領域業務方面擁有逾25年經驗。

CORPORATE GOVERNANCE REPORT

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CORPORATE GOVERNANCE

The Company is committed to maintain good standards of corporate governance practices by emphasising transparency, accountability and responsibility to its shareholders.

For the year ended 31 December 2021, the Company applied the principles of, and complied with all the code provisions and, where applicable, the recommended best practices of the “Corporate Governance Code” (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), except as noted hereunder:

Other than the non-executive Director appointed on 23 June 2015 and the independent non-executive Director appointed on 26 May 2017, the other two independent non-executive Directors were appointed without specific terms (code provision A.4.1 before it was repealed on 1 January 2022), details of which are mentioned under the section headed “NON-EXECUTIVE DIRECTORS” in this report.

The Company will periodically review and improve its corporate governance practices with reference to the latest development of corporate governance.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “Model Code”) as set out in Appendix 10 of the Listing Rules as the Company’s code of conduct regarding Directors’ securities transactions. A reminder is served by the Company to each Director twice annually of the black out period that Director cannot deal in the securities and derivatives (if any) of the Company.

企業管治

本公司致力於對其股東強調透明度、問責性及責任性，從而保持良好的企業管治常規。

除下文所述外，本公司於截至二零二一年十二月三十一日止年度已實施並遵守載於聯交所證券上市規則（「上市規則」）附錄十四的《企業管治守則》（「企業管治守則」）的所有守則條文及（如適用）建議最佳常規：

除於二零一五年六月二十三日委任的非執行董事及於二零一七年五月二十六日委任的獨立非執行董事外，另外兩名獨立非執行董事並無指定任期（守則條文第A.4.1條於二零二二年一月一日廢除前），詳情載於本報告內「非執行董事」項下。

本公司將參考企業管治的最新發展，定期檢討及改善其企業管治常規。

董事的證券交易

本公司已採納載於上市規則附錄十的《上市發行人董事進行證券交易的標準守則》（「標準守則」）作為董事進行證券交易的行為守則。本公司每年就禁止買賣期發出兩次通知提醒每位董事不可買賣本公司之證券及衍生工具（如有）。



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The Directors are required to notify the chief executive officer (who is also a Director) and receive a dated written acknowledgement before dealing in the securities and derivatives (if any) of the Company. In the case of the chief executive officer himself, he must notify the chairman and receive a dated written acknowledgement before any dealing.

Having made specific enquiry, all Directors have confirmed that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2021.

The Company has also established a written guideline no less exacting than the Model Code for securities transactions by relevant employees (including any employee of the Company or director or employee of a subsidiary who, because of his office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company). No incidence of non-compliance was noted by the Company.

BOARD OF DIRECTORS

The Company is governed by the Board which has the responsibility for leadership and control of the Company. The Directors are collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs.

Currently, the Board comprises five executive Directors, and one non-executive Director and three independent non-executive Directors. An independent non-executive Director has appropriate professional qualifications or accounting or related financial management expertise as prescribed by the Listing Rules. 7 out of 9 Directors served the full year for the year ended 31 December 2021. The composition of the Board and the biographical details of the Directors are set out on pages 11 to 16 of this annual report. Save as disclosed in this annual report, there is no relationship (including financial, business, family or other material/relevant relationship) between Board members.

董事進行本公司之證券及衍生工具(如有)買賣前,必須先知會行政總裁(行政總裁亦為董事),並待收到註明日期之書面確認才可進行買賣。倘為行政總裁本人,則必須先知會主席,並待收到註明日期之書面確認才可進行買賣。

在作出特定查詢後,所有董事確認彼等於截至二零二一年十二月三十一日止年度已遵守標準守則所載的規定。

本公司亦已制定一份不遜於標準守則的有關僱員(包括本公司任何僱員、或附屬公司的任何董事或僱員,不會利用他們因在該公司或該附屬公司的職務或工作而可能管有與本公司證券有關的內幕消息)進行證券交易的書面指引。本公司並無知悉任何違規事件。

董事會

本公司由董事會管理,董事會負有領導及監控本公司之責任。董事透過集體領導及監督本公司事務,共同負責推動本公司的成功。

董事會目前由五名執行董事,一名非執行董事及三名獨立非執行董事組成。一名獨立非執行董事具備上市規則所規定之適當的專業資格或會計或相關的財務管理專長。九位董事中有七位於截至二零二一年十二月三十一日止整個年度內任職。董事會組成及董事之履歷資料載於本年報第11頁至第16頁。除本年報所披露外,董事會成員之間並無任何關係(包括財務、業務、家屬或其他重大/相關的關係)。

CORPORATE GOVERNANCE REPORT 企業管治報告

Notwithstanding any contractual or other terms on which any Director may be appointed or engaged at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election. A new Director appointed by the Board after the preceding annual general meeting shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the existing Board) and shall then be eligible for re-election at that meeting.

The Nomination Committee will carefully consider the qualifications and experience of each candidate, before making evaluation and submitting its recommendations to the Board on the candidates for the appointment of new Directors, re-election of Directors and filling any vacancy in the Board. After the Board approves the proposal in relation to the nomination of candidates for Directors, the proposal will be submitted to the shareholders' general meeting for consideration and approval.

儘管在每次股東週年大會上可能有任何董事按合約條款或其他條款被委任或聘用，其時三分之一的董事（或，若董事的人數不是三(3)的倍數，則最接近但不少於三分之一的人數）須輪席退任，即每位董事至少每三年須退任一次。每年退任的董事須為自上一次選舉以來任期最長的董事，對於同一日連任的董事，則須以抽籤方式決定（除非董事之間另有協定）。退任董事合資格重選連任。於上屆股東週年大會後獲董事會委任之新董事，將任職至本公司下屆股東大會（如為填補空缺者）或任職至本公司下屆股東週年大會（如為增加現有董事會成員），並合資格在有關會議上重選連任。

提名委員會對每位董事候選人的任職資格及經驗作審慎考慮，負責就委任新董事、重選董事或填補董事空缺人選作出評價，並向董事會提交建議。董事會通過有關董事候選人的提名議案後，提交股東大會審議批准。



CORPORATE GOVERNANCE REPORT

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The Company has adopted a board diversity policy (the "Policy") which sets out the approach to achieve and maintain diversity on the Board in order to maintaining a competitive advantage of the Board. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to the talents, skills, regional and industry experience, background, gender and other qualities. The Board will consider and if appropriate, set measurable objectives to implement the Policy and review such objectives to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Board will review the Policy, from time to time, to ensure its continued effectiveness.

The Board formulates overall strategy of the Group, monitors its financial performance and maintains effective oversight over the management. The Board members are fully committed to their roles and have acted in good faith to maximize the shareholders' value in the long run, and have aligned the Group's goals and directions with the prevailing economic and market conditions.

The Board is also responsible for performing the corporate governance functions under the requirements of the CG Code. The major role and functions of the Board regarding its corporate governance include:

1. to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
2. to review and monitor the training and continuous professional development of Directors and senior management of the Company;
3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

本公司已採納了一份載列實現並保持董事會成員多元化途徑的董事會成員多元化政策（「本政策」），以保持董事會的競爭優勢。本公司透過考慮多項因素，包括但不限於才能、技能、地域及行業經驗、背景、性別及其他特質，以尋求實現董事會多元化。董事會將考慮並在適當情況下制定可計量目標以推行本政策，並檢討該等目標以確保其合適度及確定達標的進度。董事會將不時檢討本政策，以確保其持續有效。

董事會制定本集團之整體策略，監察其財務表現及對管理層維持有效之監督。董事會成員盡心履行及忠誠行事，爭取股東長遠最大利益，並使本集團之目標及方向與當前經濟及市場狀況保持一致。

董事會同時負責履行企業管治守則項下要求的企業管治職能。董事會就其企業管治的主要角色和職能，包括：

1. 制定及檢討本公司的企業管治政策及常規並向董事會提出建議；
2. 檢討及監察董事及本公司管理高層的培訓及持續專業發展；
3. 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；

CORPORATE GOVERNANCE REPORT

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|--|-------------------------------------|
| 4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees of the Company and Directors; and | 4. 制定、檢討及監察本公司僱員及董事的操守準則及合規手冊(如有);及 |
| 5. to review the Company's compliance with the CG Code and disclosure in this report. | 5. 檢討本公司遵守企業管治守則的情況及於本報告內的披露。 |

The following is a summary of the work of the Board in respect of corporate governance matters during the year ended 31 December 2021:

以下是董事會於截至二零二一年十二月三十一日止年度內就企業管治事宜的工作概要：

- | | |
|---|------------------------------------|
| 1. performed corporate governance duties under the CG Code; | 1. 履行企業管治守則項下的企業管治職責； |
| 2. reviewed the Company's corporate governance policies and practices; | 2. 檢討本公司之企業管治政策及常規； |
| 3. reviewed the continuing connected transactions of the Group; | 3. 檢討本集團之持續關連交易； |
| 4. reviewed the compliance with the CG Code; and | 4. 檢討是否遵守企業管治守則；及 |
| 5. reviewed the effectiveness of the risk management and internal control systems of the Company through the Audit Committee. | 5. 透過審核委員會檢討本公司實施之風險管理及內部監控系統是否有效。 |

The senior management of the Company is delegated with responsibilities in the day-to-day management and administration of the Company and makes operational and business decisions within the control and delegation framework of the Company.

按本公司之監控及授權架構，本公司管理高層獲授權負責本公司之日常及行政管理，並作出營運及業務上之決策。



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The Company has issued formal letters of appointment for Directors setting out the key terms and conditions of their appointment.

The Company had arranged appropriate insurance cover in respect of legal actions against its Directors and officers. The Company reviews the extent of insurance cover each year.

All Directors have access to the advice and services of the company secretary who is responsible for ensuring that board procedures, and all applicable rules and regulations, are followed; and also regularly updates the Board on governance and regulatory matters. Any Director, in the furtherance of his or her duties, may take independent professional advice in appropriate circumstances through the chairman at the expense of the Company. The availability of professional advice extends to the Audit, Nomination and Remuneration Committees.

Minutes of Board meetings were taken by the company secretary and, together with any supporting Board papers, are available to all Board members. During the year ended 31 December 2021, ten Board meetings were held by the Company.

本公司已發出訂明有關委任的主要條款及條件的正式的董事委任書。

本公司已就因董事及高級職員所承擔之法律責任安排適當保險，本公司每年對保險之保障範圍進行檢討。

所有董事均可獲得公司秘書的意見和服務，公司秘書負責確保遵循董事會程序及所有適用規則及規例；並定期就管治及法規等事宜向董事會提供最新的信息。任何董事可在適當的情況下透過主席尋求獨立專業意見，以協助有關董事履行對本公司的責任，費用由本公司支付。尋求專業意見亦適用於審核委員會，提名委員會及薪酬委員會。

董事會會議記錄由公司秘書記存，連同任何相關的董事會文件，可供董事會所有成員查閱。於截至二零二一年十二月三十一日止年度，本公司曾舉行十次董事會會議。

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The attendance record of Directors at Board meetings and other Committee meetings as well as general meetings during the year ended 31 December 2021 are set out in the table below:

董事於截至二零二一年十二月三十一日止年度內出席董事會會議及其他委員會會議以及股東大會的記錄載於下表：

Director	董事	Board 董事會	Number of meetings or meetings attended/held 出席／舉行會議或會議次數			Number of general meetings attended/held 出席／舉行股東大會次數	
			Remuneration Committee	Nomination Committee	Audit Committee	Annual 週年	Special 特別
<i>Executive Directors</i>		<i>執行董事</i>					
Lai Weixuan (Chairman)	賴偉宣 (主席)	10/10	3/3	–	–	0/1	0/1
Fu Fangxing*	傅方興*	1/1	–	1/1	–	–	–
Huang Yongfeng [#]	黃勇峰 [#]	9/9	–	2/2	–	0/1	0/1
Zhang Zhibiao*	張志標*	7/7	–	–	–	0/1	–
Jiao Yan [#]	焦燕 [#]	3/3	–	–	–	–	0/1
Yu Xiaodong	于曉東	10/10	–	–	–	0/1	0/1
Zhao Yang	趙揚	10/10	–	–	–	1/1	1/1
<i>Non-executive Director</i>		<i>非執行董事</i>					
Chow Wai Kam	周偉淦	10/10	–	–	–	1/1	1/1
<i>Independent Non-executive Directors</i>		<i>獨立非執行董事</i>					
Chu Yu Lin, David	朱幼麟	10/10	3/3	3/3	4/4	1/1	1/1
Li Ka Fai, David	李家暉	10/10	3/3	–	4/4	1/1	1/1
Zhang Ping	張平	10/10	–	3/3	4/4	0/1	0/1

* Mr. Fu Fangxing and Mr. Zhang Zhibiao have resigned on 25 January 2021 and 30 August 2021 respectively.

* 傅方興先生及張志標先生分別於二零二一年一月二十五日及二零二一年八月三十日辭任。

[#] Mr. Huang Yongfeng and Ms. Jiao Yan have been appointed as executive Directors on 25 January 2021 and 30 August 2021 respectively.

[#] 黃勇峰先生及焦燕女士分別於二零二一年一月二十五日及二零二一年八月三十日獲委任為執行董事。

Save for the annual general meeting, one special general meeting was held during the year 2021.

除股東週年大會外，於二零二一年內舉行了一次股東特別大會。



CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

Every newly appointed director was given a comprehensive, formal and tailored induction training to ensure that he/she is fully aware of his/her responsibilities under statute and common law, the Listing Rules, legal and other regulatory requirements.

All directors were encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. According to the records provided by the Directors, the Directors received the following training during the year 2021:

董事培訓及專業發展

每名新委任的董事獲給予全面、正式兼特為其而設的就任須知，以確保他／她們完全知道本身在法規及普通法、上市規則、法律及其他監管規定下的職責。

本公司鼓勵全體董事參與持續專業發展，發展並更新其知識及技能。根據董事提供的記錄，董事於二零二一年內接受以下培訓：

Director	董事	Type of continuous professional development programmes	
		Reading materials and updates	Attending briefing sessions/seminars
		閱讀材料及更新資料	出席簡介會／研討會
<i>Executive Directors</i>			
Lai Weixuan	賴偉宣	✓	✓
Fu Fangxing*	傅方興*	✓	✓
Huang Yongfeng#	黃勇峰#	✓	✓
Zhang Zhibiao*	張志標*	✓	✓
Jiao Yan#	焦燕#	✓	✓
Yu Xiaodong	于曉東	✓	✓
Zhao Yang	趙揚	✓	✓
<i>Non-executive Director</i>			
Chow Wai Kam	周偉淦	✓	✓
<i>Independent Non-executive Directors</i>			
Chu Yu Lin, David	朱幼麟	✓	✓
Li Ka Fai, David	李家暉	✓	✓
Zhang Ping	張平	✓	✓

* Mr. Fu Fangxing and Mr. Zhang Zhibiao have resigned on 25 January 2021 and 30 August 2021 respectively.

Mr. Huang Yongfeng and Ms. Jiao Yan have been appointed as executive Directors on 25 January 2021 and 30 August 2021 respectively.

* 傅方興先生及張志標先生分別於二零二一年一月二十五日及二零二一年八月三十日辭任。

黃勇峰先生及焦燕女士分別於二零二一年一月二十五日及二零二一年八月三十日獲委任為執行董事。

CORPORATE GOVERNANCE REPORT 企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

To ensure a balance of power and authority, the role of the chairman is separated from that of the chief executive officer. Starting from 1 April 2022, the chairman and the chief executive officer of the Company are Mr. Huang Yongfeng and Mr. Yu Xiaodong respectively.

The chairman is responsible for the leadership of the Board, ensuring the effectiveness of the Board in all aspects of its role and for setting its agenda and taking into account any matters proposed by other Directors for inclusion in the agenda. Agendas and accompanying Board papers are circulated where possible at least three days before the time of a Board meeting. The chairman is also responsible for making sure all Directors are properly briefed on issues arising at Board meetings. The chief executive officer is delegated with the authorities to manage the business of the Group in all aspects effectively.

The division of responsibilities between the chairman and the chief executive officer has been clearly established and set out in writing.

NON-EXECUTIVE DIRECTORS

The non-executive Directors bring a wide range of skills and experience to the Group. They serve the important function of providing adequate checks and balances for safeguarding the interests of shareholders and the Company as a whole. The Company had received from each of the independent non-executive Directors an annual confirmation of his Independence pursuant to rule 3.13 of the Listing Rules. The Board considered that the independent non-executive Directors are independent in character and judgment and fulfill the independence guidelines set out in rule 3.13 of the Listing Rules.

Other than the non-executive Director appointed on 23 June 2015 and the independent non-executive Director appointed on 26 May 2017, the other two independent non-executive Directors were appointed without specific terms, but are subject to retirement by rotation as explained above under section headed "CORPORATE GOVERNANCE".

主席及行政總裁

為確保權力和授權分佈均衡，主席及行政總裁的角色有獨立區分。自二零二二年四月一日起，本公司之主席及行政總裁分別為黃勇峰先生及于曉東先生。

主席負責領導董事會，確保董事會各方面有效地運作及釐定董事會會議議程，並考慮將其他董事提出的議題加入議程。會議議程及隨附的董事會文件（在可能情況下）在舉行董事會會議當日最少三日前提閱。主席亦負責確保所有董事均適當知悉在董事會會議上提出的事項。行政總裁則獲授權有效地管理本集團各方面之業務。

主席及行政總裁的職責區分已清晰界定並以書面列明。

非執行董事

非執行董事為本集團帶來廣泛技能及經驗。彼等就保障股東及本公司之整體利益上發揮重要制衡功能。本公司已收到獨立非執行董事們各自根據上市規則第3.13條的年度獨立性確認書。董事會認為三名獨立非執行董事在個性及判斷上皆為獨立，並符合上市規則第3.13條所載的獨立性準則。

除於二零一五年六月二十三日委任的非執行董事及於二零一七年五月二十六日委任的獨立非執行董事外，另外兩名獨立非執行董事並無指定任期，惟須根據以上「企業管治」項下所述輪席退任。



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REMUNERATION COMMITTEE

The Remuneration Committee comprises one executive Director, Mr. Yu Xiaodong (with effect from 1 April 2022), and two independent non-executive Directors, namely, Mr. Chu Yu Lin, David (as chairman) and Mr. Li Ka Fai, David. The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for the remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration. The role, authority and duties of the Remuneration Committee are clearly set out in its terms of reference.

Three meetings were held during the year 2021 to review and recommend the remuneration package of all Directors to Board. The attendance of each member is set out in the table above under section headed "BOARD OF DIRECTORS".

The primary goal of the remuneration policy on executive remuneration packages is to enable the Company to retain and motivate executive Directors by linking their compensation with performance as measured against corporate objectives. Under the policy, no director or any of his associates is allowed in deciding his own remuneration. During the year 2021, the Remuneration Committee has adopted the model "to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management".

薪酬委員會

薪酬委員會由一名執行董事于曉東先生(自二零二二年四月一日生效)及兩名獨立非執行董事(朱幼麟先生擔任主席及李家暉先生)組成。薪酬委員會的職責包括向董事會就有關本公司董事及管理高層之薪酬政策及架構、以及就制訂有關薪酬政策而建立之正規且具透明度的程序提供建議。薪酬委員會的角色、權限及職責已清晰地載於其職權範圍內。

於二零二一年內，薪酬委員會舉行了三次會議，檢視及向董事會建議所有董事之薪酬待遇。各成員之出席記錄載於上述「董事會」項下的出席表內。

行政人員薪酬政策之主要目的是透過把執行董事的待遇與按企業目標量度的表現掛鉤，藉此挽留及勉勵本公司執行董事。根據薪酬政策，任何董事或其任何聯繫人不得參與釐定其自身的薪酬。於二零二一年內，薪酬委員會已採納了《獲董事會轉授責任，釐定個別執行董事及高級管理人員的薪酬待遇》的模式。

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Details of remuneration of members of senior management of the Company by band for the year ended 31 December 2021 are set out below:

截至二零二一年十二月三十一日止年度，本公司管理高層之酬金等級載列如下：

Remuneration	酬金	Number of individuals 人數
HK\$1,000,000 to HK\$1,500,000	1,000,000港元至1,500,000港元	1

Details of Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in notes 10 and 11 to the financial statements respectively.

根據上市規則附錄十六之披露要求，董事酬金及五名最高薪僱員之詳情分別載於財務報表附註10及11。

AUDIT COMMITTEE

The Company has an Audit Committee which was established in compliance with rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process, risk management and internal control systems and the effectiveness of the Company's internal audit function. It currently comprises three independent non-executive Directors, namely Mr. Chu Yu Lin, David (as chairman), Mr. Li Ka Fai, David and Mr. Zhang Ping. The Audit Committee met four times during the year 2021 to assess the ability of external auditor and review the interim and final results, the interim and annual reports, the external auditor's engagement letter and fee, the risk management and internal control systems of the Group, the effectiveness of the Group's internal audit function and the continuing connected transactions. The attendance of each member is set out in the table above under the section headed "BOARD OF DIRECTORS". The duties of the Audit Committee are clearly set out in its terms of reference.

審核委員會

本公司已根據上市規則第3.21條規定設立審核委員會，以檢討及監督本集團之財務申報程序、風險管理及內部監控系統及公司的內部審計職能的有效性。審核委員會現由三名獨立非執行董事（朱幼麟先生擔任主席、李家暉先生及張平先生）組成。審核委員會於二零二一年內曾舉行四次會議，以評估外聘核數師之能力及審閱本集團的中期業績及末期業績、中期報告及年報、外聘核數師之委聘函及費用、風險管理及內部監控系統、本集團的內部審核功能的有效性以及持續關連交易。各成員之出席記錄載於上述「董事會」項下的出席表內。審核委員會的職責已清晰地載於其職權範圍內。



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Full minutes of meetings are kept and sent to all members of the Board. Matters raised at the meetings were reported back to the Board so that due consideration was given as to the action to be taken.

NOMINATION COMMITTEE

The Company has a Nomination Committee which was established in compliance with rule 3.27A of the Listing Rules and code provisions B.3.1 to B.3.4 of the CG Code for the purposes of reviewing the structure, size and composition (including skills, knowledge and experience) of the Board and making recommendations to the Board regarding any proposed changes, identifying candidates with suitable qualifications as directors, selecting and making recommendations to the Board, assessing the independence of independent non-executive Directors, and making recommendations to the Board on matters relating to the appointment or re-appointment of Directors and succession planning for Directors. It currently comprises one executive Director, Mr. Huang Yongfeng, and two independent non-executive Directors, namely, Mr. Zhang Ping (as chairman) and Mr. Chu Yu Lin, David. The duties of the Nomination Committee are clearly set out in its terms of reference.

Three meetings were held during the year 2021 to review the structure, size and composition of the Board, assess the independence of independent non-executive Directors and making recommendations to the Board regarding appointment or re-appointment of Directors and succession planning for Directors. The attendance of each member is set out in the table above under the section headed "BOARD OF DIRECTORS".

相關會議的全部記錄已備存，並發送予董事會所有成員。在會議上提出的事項均已匯報董事會，以便及時考慮所需行動。

提名委員會

本公司已根據上市規則第3.27A條規定及企業管治守則守則條文B.3.1至B.3.4條規定設立提名委員會，以檢討董事會的架構、人數及組成（包括技能、知識及經驗方面），並就任何建議變動向董事會提出建議、物色具備合適資格擔任董事的人士，並挑選有關人士出任董事並就此向董事會提出建議、評估獨立非執行董事的獨立性及就董事委任或重新委任以及董事繼任計劃相關的事宜向董事會提出建議。提名委員會現由一名執行董事（黃勇峰先生）及兩名獨立非執行董事（張平先生擔任主席及朱幼麟先生）組成。提名委員會的職責已清晰地載於其職權範圍內。

提名委員會於二零二一年內曾舉行三次會議，以檢討董事會的架構、人數及組成，評估獨立非執行董事的獨立性及就董事委任或重新委任以及董事繼任計劃相關的事宜向董事會提出建議。各成員之出席記錄載於上述「董事會」項下的出席表內。

CORPORATE GOVERNANCE REPORT 企業管治報告

BOARD NOMINATION POLICY

The Nomination Committee shall endeavor to find individuals of high integrity who have a solid record of accomplishment in their chosen fields and who possess the qualifications, qualities and skills to effectively represent the best interests of the Group and its shareholders. Candidates will be selected for their ability to exercise good judgment, and to provide practical insights and diverse perspectives. Candidates also will be assessed in the context of the then-current composition of the Board, the operating requirements of the Group. In conducting this assessment, the Nomination Committee will, in connection with its assessment and recommendation of candidates for director, consider diversity (including, but not limited to, gender, race, ethnicity, age, experience and skills) and such other factors as it deems appropriate given the then current and anticipated future needs of the Board and the Company, and to maintain a balance of perspectives, qualifications, qualities and skills on the Board.

The Nomination Committee considered the following qualifications at a minimum to be required of any Board members in recommending to the Board potential new board members, or the continued service of existing members:

- the highest professional and personal ethics;
- broad experience in business;
- ability to provide insights and practical wisdom based on their experience and expertise;
- commitment to enhancing shareholder value;
- sufficient time to effectively carry out their duties;
- compliance with legal and regulatory requirements; and
- ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with senior management of the Group.

董事提名政策

提名委員會應努力尋找具有高度誠信及事業成就的人士，並具備專業的資格，素質和技能，能為本集團及股東爭取最佳的利益。被選中的候選人具備能力做出良好的判斷，並提供實用的見解和不同的觀點。提名委員會亦會根據當時的董事會組成及本集團的營運要求對候選人進行評估。此外，提名委員會會考慮多樣性因素（包括但不限於性別，種族，民族，年齡，經驗和技能）及其他因素，其中包括董事會和本公司當前和預期的未來需求，及保持在董事會中的觀點，資格，質量和技能的平衡。

提名委員會認為董事會成員向董事會推薦新董事會成員時，或現有的董事會成員時，至少需要具備以下資格：

- 高尚的職業道德和個人道德；
- 廣泛的商業經驗；
- 根據他們的經驗和知識提供專業的見解和實踐智慧；
- 致力於提高股東的價值；
- 有足夠的時間有效履行職責；
- 遵守法律和監管要求；及
- 能夠與其他董事會成員建立良好的工作關係，並有助董事會與本集團的管理層建立工作關係。



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AUDITORS' REMUNERATION

Deloitte Touche Tohmatsu are the auditors of the Group. The services provided by them include audit and non-audit. Fees for auditing and non-auditing (including interim review and other professional services) services for the year ended 31 December 2021 amount to HK\$3,745,000 and HK\$1,192,000 respectively.

FINANCIAL REPORTING

The Directors are responsible for monitoring the preparation of financial statements of each financial period and ensuring those financial statements provide a true and fair view of the state of affairs of the Group and of the results and cash flow for the relevant financial period. In preparing the financial statements, the Directors have selected appropriate accounting policies and applied them consistently, adopted Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, made a prudent and reasonable judgment and estimation, and, prepared the financial statements on a going concern basis.

The Company has timely announced and published its financial results in accordance with the requirements of the Listing Rules.

The auditors are responsible for forming an independent opinion, based on their audit, on those financial statements and to report their opinion solely to the members of the Company, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda (the "Companies Act"), and for no other purpose.

A statement by the auditors about their reporting responsibilities is set out in the Independent Auditors' Report of this annual report.

核數師酬金

德勤會計師事務所乃本集團之核數師。彼等所提供之服務包括審核及非審核。截至二零二一年十二月三十一日止年度，審核及非審核（包括中期審閱及其他專業服務）服務費用分別為3,745,000港元及1,192,000港元。

財務申報

董事負責監督擬備每個財政期間之財務報表，使該財務報表能真實而中肯地反映本集團於該有關財政期間之業務狀況、業績及現金流量表現。在擬備該等財務報表時，董事已選擇及貫徹採用合適的會計政策；採納香港會計師公會頒佈的香港財務報告準則；及作出審慎合理判斷及估計，並按持續經營基準擬備財務報表。

本公司已按上市規則規定適時公告及發佈其財務業績。

核數師的責任乃根據彼等審核工作的結果，對該等財務報表作出獨立意見，並根據百慕達公司法一九八一（「公司法」）第90條僅為本公司全體股東報告，而不作任何其他用途。

核數師就其申報責任而作出的聲明載於本年報獨立核數師報告書內。

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RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for the Group's risk management and internal control systems and for reviewing their effectiveness through the Audit Committee. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement, losses or fraud. Procedures have been designed for safeguarding assets against unauthorized use or disposition, for maintaining proper accounting records; and for the reliability of financial information used within the business or for publication. Procedures have also been designed for compliance of applicable laws, rules and regulations.

Reviews of the adequacy and effectiveness of the Group's risk management and internal control systems covering all material controls, including financial, operational and compliance controls, were conducted by the internal audit section of the Group from time to time. The results and recommendations were reported to the Audit Committee and thereafter to the Board. The adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions had also been reviewed by the Board and Audit Committee. During the year ended 31 December 2021, internal audit section of the Group evaluated the effectiveness and adequacy of the Group's risk management and internal control systems by adopting an integrated risk assessment approach, and the review report was presented to the Audit Committee and the Board for review in March 2022. No material deficiency was identified. Improvements in internal control and risk management measures to enhance the risk management and internal control systems of the Group and to mitigate risks of the Group will be adopted by The Board. The Board considered that the Group's risk management and internal control systems were adequate and effective and the Company had complied with the provisions on risk management and internal control of the CG Code. The Board confirms that systems and procedures are in place to identify, control and report on significant risks involved in achieving the Company's strategic objectives. Exposures to these risks are monitored by the Board with the support of Audit Committee, internal audit section and senior management.

風險管理及內部監控

董事會對於本集團的風險管理及內部監控系統負有整體責任，並透過審核委員會對其有效程度進行檢討。該等系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述、損失或詐騙作出合理而非絕對的保證。就保障資產免受非法使用或處置、保存妥善會計記錄以及提供可靠的財務資料供內部或作刊發用途，已設計出相應步驟。同時亦已設計出相應步驟確保適用的法例、規則及法規得以遵守。

本集團的內部審核部門不時就本集團的風險管理及內部監控系統的足夠性及有效性進行檢討。有關檢討涵蓋所有重要監控，包括財務監控、營運監控及合規監控。相關結果及建議已向審核委員會報告；及後向董事會報告。董事會及審核委員會亦審閱本集團在會計、內部審核及財務匯報職能方面的資源充足性、員工資歷及經驗，以及員工所接受的培訓課程及有關預算的足夠性。於截至二零二一年十二月三十一日止年度內，本集團的內部審核部門通過綜合風險評估方法評估本集團的風險管理及內部監控系統的有效性及足夠性，評估報告於二零二二年三月呈交審核委員會及董事會審閱。本公司並無發現重大缺點。董事會會按照評估報告建議改進內部監控及風險管理以提升本集團的風險管理及內部監控系統及降低本集團之風險，同時認為本集團的風險管理及內部監控系統是足夠及有效的，同時本公司也遵守了企業管治守則關於風險管理及內部監控的條文。董事會確認該系統和程序能就實現本公司戰略目標而可能涉及的重大風險進行辨識、監控和作出報告。董事會在審核委員會、內部審核部門及管理高層的支持下監督該些風險。



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The Company has implemented Corporate Disclosure Policy, which set out the reporting procedures for the handling and dissemination of inside information.

COMPANY SECRETARY

Mr. Kwok Chi Ho, the company secretary of the Company, is an employee of the Company and responsible directly to the Board. He has complied with all the qualification, experience and training requirement under the Listing Rules.

The company secretary reports to the chairman and the chief executive officer of the Company.

INVESTOR RELATIONS

The updated memorandum of association and bye-laws of the Company had been posted on the Company's website at www.cath.com.hk and the Stock Exchange's designated website at www.hkexnews.hk. During the year 2021, there was no change in the memorandum of association and bye-laws of the Company.

SHAREHOLDERS' RIGHTS

Convening of a special general meeting by shareholders

Pursuant to the bye-laws of the Company and the Companies Act, the Board shall, on the requisition of shareholders holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company, forthwith proceed duly to convene a special general meeting of the Company.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company (the "Registered Office"), which is presently situated at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda, and may consist of several documents in like form each signed by one or more requisitionists.

本公司已經實施企業信息披露政策，其中規定了對內幕消息的處理發發佈的報告程序。

公司秘書

公司秘書郭致豪先生是本公司僱員，並直接向董事會負責。郭先生一直遵守上市規則項下所有的資歷，經驗及培訓要求。

公司秘書向本公司主席及行政總裁匯報。

投資者關係

本公司最新的組織大綱及細則已登載於本公司網頁www.cath.com.hk及聯交所指定網頁www.hkexnews.hk。於二零二一年內，本公司組織大綱及細則並無變動。

股東權利

股東召開股東特別大會

根據本公司細則及公司法，於持有可於本公司股東大會投票之已繳足股本不少於十分之一之股東遞交呈請書當日，董事會須隨即召開股東特別大會。

呈請書必須列明會議目的，並必須由呈請人簽署及遞交本公司註冊辦事處（「註冊辦事處」，現時地址為Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda），而呈請書可由若干相同格式之文件組成，而每份文件均由一名或以上呈請人簽署。

CORPORATE GOVERNANCE REPORT 企業管治報告

If the Board does not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

Procedures for putting forward proposals at shareholders' meetings

Pursuant to the Companies Act, either 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 not less than one hundred shareholders, can request the Company in writing to (a) give to shareholders 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) circulate to shareholders entitled to have notice of any general meeting sent to them 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 requisition signed by all the requisitionists must be deposited at the Registered Office with a sum reasonably sufficient to meet the Company's relevant expenses, not less than six weeks before the meeting in the case of a requisition requiring notice of a resolution; and not less than one week before the meeting in the case of any other requisition. Provided that if, an annual general meeting is called for a date six weeks or less after the requisition has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

倘董事會並無於呈請人遞交呈請書當日起二十一日內隨即召開會議，則呈請人（或其中代表全體呈請人總表決權半數以上之任何人士）可自行召開會議，惟按此方式召開之任何會議不得於遞交呈請書當日起計三個月屆滿後舉行。

於股東大會上提呈議案之程序

根據公司法，任何股東數目代表不少於該呈請書提出當日有權於會議上投票之所有股東之總投票權二十分之一；或不少於一百名股東，可向本公司提交書面要求：(a)向有權接收下一屆股東週年大會通告之股東發出通告，以告知任何可能於該會議上正式動議及擬於該會議上動議之決議案；及(b)向有權獲發送任何股東大會通告之股東傳閱不超過一千字之陳述書，以告知於該會議上提呈之任何建議決議案所述事宜或將處理之事項。

由所有呈請人簽署之呈請書，必須在不少於（倘為要求通知決議案之呈請書）會議舉行前六週或（倘為任何其他呈請書）會議舉行前一週，遞交到註冊辦事處，並須支付足以彌補本公司相關開支之款項。惟倘在遞交呈請書後六週或較短期間內之某一日召開股東週年大會，則該呈請書雖未有在規定時間內遞交，就此而言亦將被視為已妥為遞交。



CORPORATE GOVERNANCE REPORT

企業管治報告

Procedures for shareholders to propose a person for election as a Director

Regarding the procedures for proposing a person for election as a Director, please refer to the procedures made available under section Corporate Governance of the Company's website at www.cath.com.hk.

Procedures for directing shareholder's enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary whose contact details are as follows:

Unit B, 15th Floor, United Centre
95 Queensway, Hong Kong
(with effect from 11 April 2022)
Fax: (852) 2915 0867

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

COMMUNICATION WITH SHAREHOLDERS

The Company is committed to fair disclosure, comprehensive and transparent reporting. Effective communication with shareholders has always been one of the Company's priorities. Information in relation to the Group is disseminated to shareholders in a timely manner through various formal channels, which include interim and annual reports, announcements and circulars.

The Company has established a shareholders' communication policy which is subject to review on a regular basis to ensure its effectiveness.

股東提名候選董事之程序

關於提名候選董事之程序，請參閱本公司網頁 www.cath.com.hk 企業管治項下之程序。

股東向董事會作出查詢之程序

股東可隨時以書面形式透過公司秘書轉遞其查詢及問題予董事會。公司秘書之聯絡詳情如下：

香港金鐘道95號
統一中心15樓B室
(自二零二二年四月十一日起生效)
傳真：(852) 2915 0867

股東亦可在本公司之股東大會上向董事會作出查詢。

與股東的溝通

本公司致力於公平披露、綜合及透明的報告。本公司一向高度重視與股東之間的有效溝通。有關本集團之資料，已透過各種正式渠道及時向股東發佈，包括中期報告及年報、公告以及通函。

本公司已制定一份股東通訊政策並對該政策定期作出檢討以確保其成效。

CORPORATE GOVERNANCE REPORT 企業管治報告

General meetings of the Company provide good opportunities for direct communications between the Board and its shareholders. The Chairman of the Board, all other Directors and senior management endeavor to attend any general meeting of the Company and answer queries from shareholders. Separate resolution is proposed for each issue by the chairman of the meeting at each general meeting. Notice of general meeting is served together with the circular to the shareholders at least twenty clear business days or twenty-one clear days, whichever is the longer, before an annual general meeting and at least ten clear business days or twenty-one clear days, whichever is the longer, before a meeting called for passing of a special resolution, and, at least ten clear business days or fourteen clear days, whichever is the longer, before a meeting other than an annual general meeting or a meeting for the passing of a special resolution.

Detailed procedures for conducting a poll are to be explained by the chairman of the meeting at the commencement of the general meeting. Any questions raised from shareholders regarding voting by way of a poll may also be answered by the chairman of the meeting.

The 2021 annual general meeting of the Company was held on 21 May 2021. At the meeting, a separate resolution was proposed by the chairman of the meeting in respect of each separate issue, including re-election of retiring directors, and voted by way of poll. The Company announced the results of the poll in the manner prescribed under the Listing Rules. All Directors except for four executive Directors and an independent non-executive Director, the chairman of the Audit Committee and Remuneration Committee, a member of the Audit Committee and Remuneration Committee and a member of Nomination Committee, attended the 2021 annual general meeting and had effective communications with shareholders.

本公司之股東大會提供董事會與股東直接溝通之良好機會。董事會主席、所有其他董事及管理高層盡量出席本公司的任何股東大會，並解答股東的提問。會議主席於每個股東大會上就各項議題提呈個別決議案。股東大會通告連同通函分別於召開股東週年大會最少二十個完整營業日或二十一日前（以較長者為準）及為通過特別決議案之會議最少十個完整營業日或二十一日前（以較長者為準），以及於召開其他會議（股東週年大會或為通過特別決議案之會議除外）最少十個完整營業日或十四日前（以較長者為準），送交本公司股東。

以投票方式進行表決的詳細程序於股東大會開始時由會議主席說明，而股東就有關以投票方式表決提出的任何提問亦可由會議主席回答。

本公司二零二一年股東週年大會已於二零二一年五月二十一日舉行。在會議上，會議主席就各項個別議題提呈個別決議案（包括重選退任董事），並以投票方式表決。本公司已根據上市規則規定的方式公告投票結果。除四位執行董事及一位獨立非執行董事外，所有董事，審核委員會兼薪酬委員會主席，一名審核委員會兼薪酬委員會成員及一名提名委員會成員出席二零二一年股東週年大會並與股東有效溝通。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

DIRECTORS' STATEMENT

The Group is pleased to present this environmental, social and governance ("ESG") report, which describes our ESG development and performance in 2021, to respond to stakeholders' expectations and concerns about the Group's sustainable development.

The Board of Directors assumes the responsibility for the sustainable development of the Group, and leads the Group to undertake social responsibility. The Board believes measures such as emission reduction, prudent use of resources, improvement of occupational safety and health, and focus on quality will help the Group achieve its missions and goals. The Board is of the opinion that laying emphasis on ESG management can reduce related risks, enhance the Group's capability to comply with relevant laws and regulations, improve corporate brand image, and promote community development to contribute to society.

The Board will actively participate in relevant training to understand the latest developments in ESG issues, and consider inviting relevant experts to participate in board meetings, if applicable, to help the Board gain relevant experience. We have established working groups within our primary operating units to set ESG goals and regularly review the effectiveness of the plans. By formulating strategies, the Board gives clear guidance to the operating units on plans and goals, and regularly reviews the effectiveness of the plans. The working groups collect ESG information and report to the Board annually. The Board regularly examines strategies and plans, and reviews the ESG report to ensure that the Group's development and disclosure standards meet the expectations of stakeholders.

董事聲明

本集團欣然呈交環境、社會及管治（「ESG」）報告，報告旨在闡述我們於二零二一年度在ESG各方面的發展和表現，以回應持份者對本集團的可持續發展的期望和關注。

董事會肩負起本集團的可持續發展的責任，帶領集團履行社會責任。董事會深信減少排放、慎用資源、提升職業安全健康、專注品質等舉措皆有助於集團達成既定的使命及目標。董事會認為重視ESG管理可以減少相關風險、提升集團符合相關法律法規的能力，並且提升企業品牌形象、促進社區發展以回饋社會。

董事會會積極參與相關培訓以了解ESG議題的最新發展，並在適用的情況下董事會會考慮邀請相關專家參與董事會，加強現有董事會的相關經驗。我們的主要營運單位已有工作小組制定ESG目標並定期檢討計劃的成效。董事會通過訂立策略，讓營運單位有明確方向制定計劃及目標，並且定期檢討計劃的成效。工作小組會收集ESG資料，每年向董事會報告匯報，董事會定期檢討策略及計劃，審閱ESG報告確保集團的發展方向及披露水準符合持份者的期望。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

ESG-related risk management is critical to the Board. Through communication with different stakeholders and comprehensive understanding of our business, the Board has made a basic assessment of all relevant risks and incorporated relevant risks into its risk management and internal control systems to promote comprehensive risk management within the Group. The Group pays particular attention on products that safeguard customers' health and safety, quality control of production materials, environmental and social risks in the supply chain, and product recycling systems.

The Board believes that our focus on product quality, proper management of relevant supply chain risks and assurance of occupational health and safety are particularly beneficial for the Group to achieve its goal of establishing an excellent corporate image. Therefore, the Group regularly assesses our product quality and occupational safety statistics against predetermined goals, as these goals and assessments are effective indicators of production capacity and operational control.

As society is building a consensus on sustainable development, the Group will respond more quickly to address market changes and demands. Looking ahead, the Group will strive to contribute to an environment-friendly economy.

ESG相關範疇的風險管理對董事會至關重要。董事會通過與不同利益相關者的溝通以及對業務的廣泛了解，我們已就各相關風險作出基本評估，並將相關風險納入風險管理和內部控制體系，促進集團內部的綜合風險管理。集團尤為注視產品對客戶的健康與安全保障、生產材料的質量控制、供應鏈的環境及社會風險以及產品回收制度等風險。

董事會相信，專注於產品質量及妥善管理其相關的供應鏈風險，並確保職業健康與安全，特別有助於本集團實現樹立卓越企業形象的目標。因此，本集團會根據預定目標定期評估我們的產品品質和職業安全統計數據，因為這些目標和評估是反映生產能力和營運控制的有效指標。

隨著社會對邁向可持續發展有更一致的共識，本集團會更迅速地滿足市場的變化及需求。展望未來，本集團會致力向環境友好型經濟邁進。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT THIS REPORT

The Group is pleased to present this environmental, social and governance report (the “ESG Report”), which details the Group’s policies, measures, and performance on environmental, social and governance issues. By reporting to stakeholders, the Group has disclosed its measures and performance on sustainable development issues in a transparent manner and increased public confidence; helping stakeholders better understand the Group’s sustainability progress and development direction at the same time.

SCOPE OF REPORTING

This ESG report specifies the Group’s environmental, social and governance performance for the fiscal year 2021 (1 January to 31 December 2021), which is consistent with that of the annual report of the Group. The Group planned and prepared this report based on the materiality principle. Unless otherwise stated, this report covers the general aviation piston engine business in the United States which represents the majority of the Group’s environmental and social impact.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE GUIDELINES AND REPORTING

The Group’s environmental, social and governance guidelines are designed to continually improve the transparency and responsibility of information disclosure. Therefore, the ESG Report is released annually by the Group for public review. In addition, the Group is committed to creating long-term value for stakeholders in line with the interest of the environment in which it operates, while driving the business growth and sustainable development of the Group. As such, the Group has formulated its sustainable development policies which cover the Group’s activities in the environmental, employment, business integrity, and social aspects. The Group will strive to incorporate such principles into its practice and governance, and is committed to contributing to the sustainable development of society and the environment.

關於本報告

本集團欣然提呈本環境、社會及管治報告（下稱「ESG報告」）。本ESG報告詳列本集團在環境、社會及管治方面的政策、措施和績效。透過與持份者匯報，讓本集團以透明及公開的方式披露本集團在可持續發展議題上的措施和表現，以增加持份者對本集團的信心，並進一步了解本集團於可持續發展議題的進程和發展方向。

報告範圍

本ESG報告的時間範圍為二零二一年財政年度（二零二一年一月一日至十二月三十一日），與本集團年報的時間一致。本集團基於重要性原則規劃和編撰此報告，除非另有說明，本報告涵蓋了位於美國之通用航空飛機活塞發動機業務，代表本集團大部分的環境和社會方面的影響。

環境、社會及管治方針與報告

本集團以持續地提升有關披露透明度和責任作為環境、社會及管治方針，因而每年發佈ESG報告供各界隨時查閱。此外，本集團矢志為持份者締造符合所在環境利益的長遠價值，推動本集團業務增長及可持續發展。本集團依此訂立可持續發展政策，該政策涵蓋本集團於環境、僱傭、商業誠信、及社區等各個領域。本集團會努力將該等原則融合於本集團實踐及管治之中，致力為社會及環境之可持續發展作出貢獻。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

The Board is responsible for reviewing and assessing the Group's environmental, social and governance risks. The Board strives to contribute to sustainability. By formulating well-defined environmental, social and governance policies, the Board can identify and mitigate relevant risks, and ensure the solid implementation of relevant policies and guidelines.

BASIS OF PREPARATION

This report is prepared and presented with reference to the Environmental, Social and Governance (ESG) Reporting Guide set out in Appendix 27 to the Listing Rules:

1. **Materiality:** the threshold at which ESG issues become sufficiently important to investors and other stakeholders that they should be reported. Accordingly, this report covers the principal business of the Group.
2. **Quantitative:** KPIs need to be measurable. Targets can be set to reduce a particular impact. In this way, the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impact, and giving comparative data where appropriate. Accordingly, KPIs are presented in this report pursuant to the reporting guide.
3. **Balance:** this report should provide an unbiased picture of the issuer's performance. The report should avoid selection, omission, or presentation format that may inappropriately influence a decision or judgment by the report reader.
4. **Consistency:** this report uses consistent methodologies to allow for meaningful comparisons of ESG data over time. Any changes to the statistical methods used should also be stated in the report.

董事會負責檢視及評估本集團有關環境、社會及管治的風險。董事會致力為可持續發展作出貢獻，透過制訂明確的環境、社會及管治政策，釐定及緩減有關風險，並確保所有政策和方針得以穩妥實行。

編製基準

本報告根據上市規則附錄二十七對《環境、社會及管治報告指引》的要求編撰及呈列相關資料：

1. **重要性：**當環境、社會及管治的相關事宜會對投資者及其他關聯方產生重要影響時，本報告須作出匯報，本報告因而涵蓋本集團的主要業務作為報告範圍。
2. **量化：**如有訂立關鍵績效指標，該指標須可予以計量並於適當情況下作出有效對比，而所訂立的指標亦須闡述其目的及影響。本報告因而依據報告指引呈列各項關鍵績效指標。
3. **平衡：**本報告須不偏不倚地呈報本集團在環境、社會及管治方面的表現，以及避免不恰當地誤導讀者決策或判斷的選擇、遺漏或呈報格式。
4. **一致性：**本報告使用一致的披露統計方法，使相關數據日後可作有意義的比較。若統計方法於日後有所變更，亦須在報告中注明。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

STAKEHOLDERS PARTICIPATION AND MATERIALITY ASSESSMENT

Feedback from stakeholders not only helps the Group comprehensively and impartially evaluate its ESG performance, but also enables the Group to continuously improve its performance based on the feedback. As such, the Group regularly communicates with stakeholders in an open, honest and proactive manner through a variety of channels, including interim reports, annual reports, announcements and circulars. During the reporting period, the Group continued to maintain an open dialogue with stakeholders to review and update the areas identified as important to the Group's business operations. This can help the Group develop sustainability plans in line with its business strategy.

Stakeholder engagement and materiality assessment are among the key reporting principles for preparing a quality ESG report. Therefore, the Group determines the topics of business importance through stakeholder engagement and materiality assessment, and accordingly gives them priority in the relevant section of the report.

The Group conducted an online stakeholder survey in October 2021 and invited external stakeholders such as customers and suppliers as well as internal stakeholders including the Group's directors and employees spanning from senior management, management personnel and general employees to participate in the survey to rate the reporting issues set out in the Environmental, Social and Governance Reporting Guide according to their perceived materiality to the Group or the stakeholder groups they represent.

The materiality of each reporting issue was then determined by consolidating the materiality levels rated by all the participants. The materiality rating for each stakeholder category is the average of all respondents within that stakeholder category. The overall materiality rating across multiple stakeholder categories is the average of the materiality ratings for each category.

持份者參與及重要性評估

持份者的反饋不僅有助本集團全面和中肯地評估自身的ESG表現，同時亦讓本集團以此為依據，持續改善表現。本集團因此通過不同渠道並以公開、誠實及積極的態度與持份者進行開放及定期的溝通，當中包括中期報告及年報、公告以及通函等。報告期內，本集團繼續與持份者保持開放的對話，以檢視及更新已識別為對本集團業務而言屬重要的範疇，有助於制定切合業務策略的可持續發展工作。

持份者參與及重要性評估是準備高質量環境、社會和治理(ESG)報告的主要報告原則之一。因此，集團通過持份者參與和重要性評估確定哪些議題對其業務具有重要意義，並相應地在報告中對相關內容進行優先處理。

集團於二零二一年十月開展了持份者參與在線調查，邀請了客戶、供應商等外部持份者，以及集團董事、員工包括高級管理人員、管理人員和普通員工等內部持份者參與調查，根據他們認為這些議題對集團或他們所代表的持份者群體的重要性，對環境、社會及管治指引中規定的報告議題進行評級。

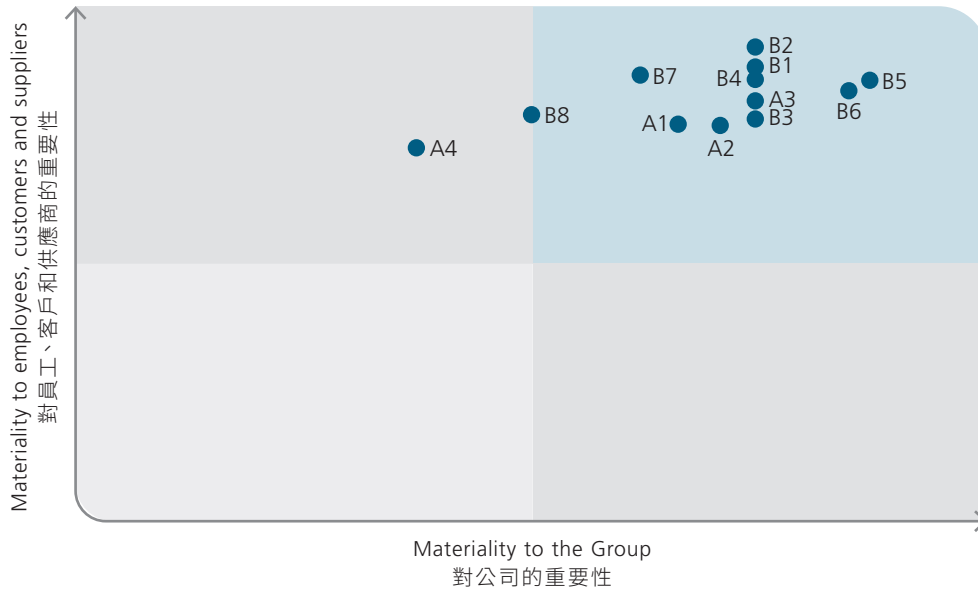
然後通過匯總所有參與者給出的重要性程度來確定每個報告議題的重要性。每個持份者類別的重要性等級是該持份者類別內所有受訪者的平均值。橫跨多個持份者類別的整體重要性等級則是每個類別重要性等級的平均值。

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To clearly illustrate the results, a materiality matrix containing the materiality ratings on each issue as rated by the Group's directors and other stakeholders, including employees and external stakeholders, is shown below. The materiality matrix clearly illustrates the results by classifying the materiality ratings (from 1 to 5) of the Group's directors and other stakeholders on each issue. The issues at the top right of the materiality matrix are considered as important by the Group's directors and other stakeholders.

為清楚地說明結果，下文會以一個重要性矩陣來將集團董事和其他持份者(包括員工和外部持份者)對各個議題所給予的重要性等級放在其中。重要性矩陣通過將每個議題的重要性等級(從1到5)對集團董事和所有其他持份者進行劃分，以清楚地說明結果。位於重要性矩陣右上角的議題被本集團董事和其他持份者視為重要。

MATERIALITY MATRIX
重要性矩陣



Indicator:

標示:

A1 Emissions	B3 Development and Training	A1 排放物	B3 發展與培訓
A2 Use of Resources	B4 Labour Standards	A2 資源使用	B4 勞工準則
A3 The Environment and Natural Resources	B5 Supply Chain Management	A3 環境和自然資源	B5 供應鏈管理
A4 Climate Change	B6 Product Responsibility	A4 氣候變化	B6 產品責任
B1 Employment	B7 Anti-corruption	B1 僱傭	B7 反貪污
B2 Health and Safety	B8 Community Investment	B2 健康和安全	B8 社區投資



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We received feedback from all stakeholder categories participating in our survey. B5 supply chain management was determined as the most important issue in both stakeholder engagement and materiality assessment, and 11 out of 12 ESG issues were rated as important, while B8 community investment was rated as slightly important and A4 climate changes as not important at all.

The table below outlines the most important ESG issues identified by different stakeholders.

我們在調查邀請中的所有持份者類別都收到了答覆。B5供應鏈管理在持份者參與和重要性評估中同時被確定為最重要的議題，十二個ESG議題中有十一個被評估為重要，而B8社區投資被評估為輕微重要及A4氣候變化被評估為最為次要。

下表總結了不同持份者所表達的最重要的環境、社會及管治議題。

Stakeholder group 持份者類別	Most important issues 最重要議題
Employees 員工	B2 health and safety B2健康和安
Customers 客戶	B2 health and safety B2健康和安
Suppliers 供應商	B5 supply chain management B5供應鏈管理

To address the concerns of relevant stakeholders, the Group has disclosed the policies and measures implemented for relevant stakeholders in the corresponding sections of the report.

為回應相關持份者的訴求，報告的相應章節已披露集團為相關持份者所施行的政策及措施。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

A. ENVIRONMENTAL

The Group is committed to aligning its business model with the future economic development trend of low-carbon economy. It has adopted management measures on air and greenhouse gas emissions, water and land discharges, as well as the generation of hazardous and non-hazardous wastes, and implemented a series of environmental management regulations on daily business activities to reduce the impact on the environment, in an attempt to achieve a green production mode with low pollution and low emissions, which leads the Group towards a low-carbon economy.

1. GREENHOUSE GAS AND AIR EMISSIONS

Based on its established environmental protection policies, the Group has formulated internal environmental guidelines to systematically integrate emission management into daily operations. Also, the Group has established the environmental management committee, and the human resources director, plant facility manager, environment and occupational safety and health manager, and environmental engineer maintain close communication with various stakeholders to balance different opinions and facilitate the implementation of environmental protection guidelines.

A. 環境

本集團致力把營運模式與低碳經濟的未來經濟發展趨勢接軌，落實廢氣及溫室氣體排放、水及土地排污、有害及無害廢棄物產生之管理方法，通過實施一系列針對日常經營活動的環境管理規定以減少對環境之影響，務求達成低污染低排放的綠色生產模式，進而引領本集團走向低碳經濟的願景。

1. 溫室氣體及廢氣排放

本集團依據既定之環保政策而制定內部環保指引，有系統地將排放物管理融入日常營運之中。本集團亦已成立環境管理委員會，並由人力資源部總監、工廠設施經理、環境職安健經理及環境工程師與各利益相關人士保持密切溝通以平衡不同意見和推動落實環保指引。



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The Group obtains emission permits from the relevant authorities, takes proactive and effective actions to comply with the requirements of laws and regulations of the government and reduce greenhouse gas and air emissions, integrating the management of greenhouse gas and air emissions into the Group's operational decisions. The Group also keeps abreast of relevant environmental developments around the world, strives to update internal policies and practices, and put into practice environmental protection measures in a timely manner. The Group's air emissions mainly come from its general aviation piston engine business, which involves air pollutants from transportation and testing of engines. The air emissions include nitrogen oxides (NO_x), sulphur oxides (SO_x) and particulate matters.

本集團取得有關當局發出的排放許可，積極採取有效的行動遵守政府法例法規要求，同時減少溫室氣體及廢氣排放，將溫室氣體及廢氣管理納入本集團營運決策的一部分。本集團又時刻留意國際間的環保趨勢，致力更新內部的政策及措施，實踐與時並進的環境保護工作。本集團的廢氣排放物主要來自通用航空飛機活塞發動機業務，當中涉及運輸及測試引擎所產生之空氣污染物，例如氮氧化物(NO_x)、硫氧化物(SO_x)及顆粒物。

Emission 排放物		Unit (kg) 排放量 (千克)	
		2021 二零二一年	2020 二零二零年
Nitrogen Oxides (NO _x)	氮氧化物(NO _x)	1,905.09	3,084.43
Sulphur oxides (SO _x)	硫氧化物(SO _x)	45.36	72.57
Particulate matters	顆粒物	1,632.98	1,995.81

Table 1 – Total Emissions during the Reporting Period

表1—報告期內的排放物總量

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The Group's greenhouse gas emissions come from the operations of the aircraft factory, including fuel consumption for testing aircraft engines.

本集團的溫室氣體排放來自飛機工廠營運，當中包括測試航空發動機之消耗燃油。

Scope of greenhouse gas emission	溫室氣體排放範圍	Emissions (Tonnes of carbon dioxide equivalent)		Intensity (Emissions per employee)	
		排放量 (以噸二氧化碳當量計)	排放量	密度 (排放量/員工)	密度
		2021 二零二一年	2020 二零二零年	2021 二零二一年	2020 二零二零年
Scope 1	範圍1				
Direct emissions	直接排放	2,837.14	3,670.11	7.45	10.37
Scope 2	範圍2				
Energy indirect emissions	能源間接排放	5.59	5.83	0.01	0.02
Scope 3	範圍3				
Other indirect emissions	其它間接排放	102.07	60.04	0.27	0.17
Total	總計	2,944.80	3,735.98	7.73	10.56

Note: the calculations were based on the Reporting Guidance on Environmental KPIs issued by the Stock Exchange, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC Fifth Assessment Report, and latest grid emission factors. Scope 1 includes consumption of aviation fuel, unleaded petrol, liquefied petroleum gas, kerosene, diesel, natural gas, acetylene, and carbon dioxide extinguisher, and fugitive emission of R22 refrigerants. Scope 2 includes electricity power purchased from power companies. Scope 3 includes disposed paper and air mileage of employees.

附註：計算乃基於聯交所發佈的環境關鍵績效指標報告指引、二零零六年IPCC國家溫室氣體清單指南、IPCC第五次評估報告、最新電網排放因子。範圍1包括航空燃油、無鉛汽油、液化石油氣、煤油、柴油、天然氣、乙炔及二氧化碳滅火器的消耗，以及R22製冷劑的逃逸排放。範圍2包括從電力公司購買電力。範圍3包括棄置廢紙及員工飛行里數。

Table 2 – Total Greenhouse Gas Emissions during the Reporting Period

表2—報告期內的溫室氣體排放總量



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The Group sets carbon emission goals for its core production processes in accordance with the terms set out in the emission permit issued by the relevant authorities. The Group's environmental management system provides guidance for reviewing any new equipment or equipment changes that may become sources of carbon emissions to ensure that potential carbon emissions do not exceed predetermined goals. The business units have taken multiple measures to reduce air pollutants and greenhouse gas emissions, one of which is to cut greenhouse gas emissions by reducing electricity consumption. To reduce power consumption in the office, the Group prefers using low-power electrical appliances or products, and avoids using unnecessary high-power equipment. For example, the Group preferably chooses LED or low-wattage, high-luminance lighting systems.

In addition, the Group sets carbon emission goals for its core production processes in accordance with the terms set out in the emission permit issued by the relevant authorities, and strives to introduce appropriate post-treatment equipment to all machinery and devices. Pollution control devices have been installed in paint shops, sandblasting machines and treatment tanks in the factory to effectively control and reduce the emission of harmful air pollutants such as carbon monoxide, volatile organic compounds, and particulate matters, and monitors air quality regularly.

本集團依據有關當局發出的排放許可內的條款為本集團的核心生產流程訂立碳排放目標。本集團的環境管理體系指導審查任何可能成為碳排放源的新設備或設備變更，以確保潛在的碳排放不會超出既定目標。業務單位亦採取多項措施減少空氣污染物及溫室氣體排放，其中之一為通過減低電力消耗，從而達致減少溫室氣體排放的目的。本集團為減少辦公室耗電，優先採用低耗電電器或產品，避免使用非必要的高耗能設備，例如在照明方面優先選用LED照明，或低瓦數、高光度的照明系統。

此外，本集團依據有關當局發出的排放許可內的條款為本集團的核心生產流程訂立廢氣排放目標，並致力在各機械及裝置採用適當的後處理設備。工廠油漆間、砂粒噴磨機、噴砂機，處理罐等均已安裝污染物控制裝置，有效控制和減少一氧化碳、揮發性有機化合物、顆粒物等有害空氣污染物的排放，並對空氣質量進行定期監測。

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(a) *Waste Management*

The Group measure waste data on a quarterly basis and sets a waste reduction goal to decrease waste by 1% based on the waste data over the last two years. The Group adheres to the 4R principles of waste management and strives to properly handle and dispose of all wastes generated from business activities through reduction, reuse, recycling, and replacement. The Group classifies and recycles waste where feasible to increase the potential of downstream recycling, and dispose of non-recyclable waste in accordance with laws and regulations, so as to reduce environmental impact.

By implementing waste assessment procedures, the Group assesses the emission of air, water and solid waste, special waste, hazardous and non-hazardous waste for newly added machines and processes. The Group classifies hazardous and non-hazardous waste for disposal in the factory, and the hazardous waste is handed over to qualified hazardous waste collectors for disposal so as to meet the requirements of local laws and regulations. The hazardous waste collectors commissioned by the Group have all obtained hazardous waste transportation permit from the U.S. Department of Transportation.

(a) *廢棄物管理*

本集團每季度跟進廢物數據，並為廢物量訂立減排目標，以過往兩年的廢物數據基礎上減少1%的廢物。本集團堅持4R廢棄物管理原則，致力通過減少使用、廢物重用、循環再用及替代使用妥善處理及處置來自業務活動所產生的廢棄物。本集團在可行的情況下將廢棄物分類回收，提升下游再造利用的潛力，並依法循規地棄置不可回收再造的廢棄物以減少對環境的影響。

本集團透過實施廢棄物評估程序對新添加之機器或工序進行廢氣、水、固體廢棄物、特殊廢棄物、無害廢棄物和有害廢棄物評估，以判斷其排放情況。工廠將有害及無害廢棄物分類處理，有害廢棄物均交由合資格之有害廢棄物收集商處理，以符合當地法規要求。本集團所委託的有害廢棄物收集商均取得美國運輸部的運送有害廢棄物許可證明。



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Waste 廢棄物		Volume (Tonnes) 消耗量 (噸)		Intensity (Emissions per employee) 密度 (排放量/員工)	
		2021 二零二一年	2020 二零二零年	2021 二零二一年	2020 二零二零年
Total hazardous waste	有害廢棄物總量	21.20	12.35	0.06	0.03
Total non-hazardous waste	無害廢棄物總量	135.61	251.28	0.36	0.71

Table 3 – Waste Generated during the Reporting Period

表3—報告期內所產生廢棄物

During the reporting period, the Group strictly complied with the relevant environmental laws such as Resource Conservation and Recovery Act and there was no case of prosecution against the Group for violation of environmental laws.

於報告期內，本集團嚴格遵行相關的環保法例如資源保護與恢復法，未有因為違反與環保相關法例而被檢控的個案。

2. USE OF RESOURCES

The Group upholds the concept of energy conservation and green production. It has formulated internal environmental protection guidelines to systematically incorporate the management of resources into daily operations. The Group has implemented a series of measures to undertake its environmental commitments so as to improve energy efficiency and reduce paper and water consumption. By active monitoring and managing the use of resources, the Group aims to reduce the use of resources, improve efficiency on use of resources, and achieve low-carbon practices, emission reduction and energy conservation in operation. Details of energy and water consumption are discussed in the sections below.

2. 資源使用

本集團恪守節能減排、綠色生產的理念。本集團已制定內部環保指引，有系統地將資源管理納入日常營運之中。本集團已實施多項措施以履行環保理念以提升能源效益、減少用紙量和用水量，通過積極監察及管理提高資源使用效率，致力節省資源，在經營中實現低碳工序和減排節能。有關能源及水資源消耗之詳情將於下述章節討論。

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(a) Resources

During the reporting period, the resources directly consumed by the Group for operations are as follows:

(a) 資源

於報告期內，本集團用於營運的直接消耗資源如下：

Resources 資源	Unit 單位	Consumption 消耗量		Intensity (Consumption per employee) 密度 (消耗量/員工)	
		2021	2020	2021	2020
		二零二一年	二零二零年	二零二一年	二零二零年
Energy 能源					
Electricity 電力	'000 kWh 千個千瓦時	13.97	14.57	0.04	0.04
Fuel oil 燃油	'000 kWh 千個千瓦時	1,329.66	2,426.84	3.49	6.86
Fuel gas 燃氣	'000 kWh 千個千瓦時	10,650.01	14,984.09	27.95	42.33
Total energy 能源總計	kWh 千瓦時	11,993.64	17,425.50	31.48	49.23
Other resources 其他資源					
Water 水	cubic metre 立方米	20,822.00	33,627.00	54.65	94.99

Note: the unit of energy figures is translated into kWh based on the lower heat value. Fuel oil includes aviation fuel, unleaded gasoline, kerosene, and diesel. Fuel gas includes liquefied petroleum gas and natural gas.

附註：能源數據參考較低熱值換算為千瓦時。燃油包括航空燃油、無鉛汽油、煤油及柴油。燃氣包括液化石油氣及天然氣。

Table 4 – Total Consumption of Resources during the Reporting Period

表4—報告期內的資源消耗總量



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Packaging material used for finished products	Unit 單位	Consumption 使用量	
		2021 二零二一年	2020 二零二零年
Packaging material used for finished products	tonne	170.11	301.76
製成品包裝材料	噸		

Table 5 – Total Consumption of Packaging Material Used for Finished Products during the Reporting Period

表5—報告期內的製成品包裝材料使用總量

The Group manages the workspace using the “5S” management scheme, which focuses on five areas: sort, set, shine, standardise, and sustain, as the core model. Furthermore, the Group conducts lean management and waste reduction management to encourage employees to redesign the use of resources from many aspects, effectively reuse products or materials, prolong the life cycle of resources, and reduce the use of resources and generate less waste, thereby achieving the long-term vision of zero emission.

本集團已推行「5S」管理方案管理工作空間，以整理、存放、清潔、標準和修養五個範疇作為核心模式。本集團實行同時精益管理和減廢管理以鼓勵員工從多方面重新設計，有效地使產品或物料重新使用，使資源生命週期延長，減少使用資源和產生較少的廢棄物，以達至「零排放」的長遠願景。

The Group also attaches great importance to energy management and focuses on reducing total electricity consumption in kWh by 1% per year to make effective use of power resources. The Group will reduce electricity consumption by integrating old facilities buildings into new buildings, and gives preference to the use of energy-efficient equipment, including energy-saving lighting fixtures, with a view to reducing energy consumption in the long run.

本集團亦重視能源管理，以每年重點降低總用電量千瓦時1%為目標，以達致善用電力資源。本集團通過將舊設施建築整合到新建築將減少電力消耗，並優先採用更具能源效益的設備，包括慎選節能照明系統，務求能長遠減少能源消耗。

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(b) *Water Consumption*

The Group is aware that sustainable and responsible use of water resources is a major global issue, and that excessive demand and overuse of water can cause serious regional water shortage. In view of this, the Group has in place wastewater treatment equipment, and aims to reduce the amount of treatable wastewater by 1% per year. Through wastewater minimization plans and neutralization, chromate reduction, and alkaline chlorination of cyanide, the Group ensures that the emissions meet relevant standards and water is reused. The Group has no problem in obtaining water sources fit for use.

3. THE ENVIRONMENT AND NATURAL RESOURCES

The Group is dedicated to taking a series of effective measures to avoid and mitigating the impact on the environment and surrounding areas, including reducing noise, emissions and indoor air pollution. The Group has engaged qualified environmental consultants to review its environmental projects regularly. For example, the Group ensures that the factory is in compliance with the Resource Conservation and Recycling Act (RCRA), the Air Emissions Permit, and the National Pollutant Discharge Elimination System (NPDES) permit.

During the reporting period, the Group did not have any major environmental accidents.

(b) *用水*

本集團意識到可持續及負責任地使用水資源是一項全球關鍵議題，而過度需求及使用可引致嚴重地區性的缺水問題。有見及此，本集團設有廢水處理設備，每年目標減少1%的可處理廢水。透過減少廢水計劃、中和、減少鉻酸鹽以及利用鹼性氯化處理氰化物，確保排放符合標準，令水源得以再生使用。本集團在取得適合用途的水源方面並未有問題。

3. 環境及自然資源

本集團致力採取一系列有效措施避免及緩減對環境及周邊的影響，包括針對減少噪音、排放，及室內空氣污染等。本集團已委託合資格的環保顧問定期審查環保項目，例如確保其工廠符合當地的資源保護與回收法(RCRA)、空氣排放許可及國家污水排放控制系統(NPDES)許可證明。

於報告期內本集團未有出現重大環境事故。



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4. CLIMATE CHANGE

The Group's business scope includes the general aviation aircraft piston engine business in the United States. The Group has identified and assessed the physics risks of climate change, and has developed measures to mitigate their impact on the operations of the Group and protect the safety of employees, including ensuring that the infrastructure of the Group is sufficient to cope with extreme weather conditions and strictly following relevant extreme weather guidelines issued by the government. The Group regularly reviews policies on coping with climate change to ensure their effectiveness.

During the reporting period, Hurricane Ida brought heavy rain and tornadoes to Alabama, the United States where the factory is located, and slightly affected the operations of relevant facilities. The Group is looking into a new business disruption event tracking system to strengthen follow-up and review of downtime and monetary losses caused by business disruption events.

B. SOCIAL

1. EMPLOYMENT AND LABOUR PRACTICES

The Group firmly believes that employees have a critical impact on the quality of the Group's products and services and employees are the foundation of the success of the Group. They are also the engine that drives sustainable corporate development. The Group strives to establish harmonious relations with employees to bring together all employees and proactively maintain a diversified, inclusive, fair, just, healthy and safe workplace to jointly promote the long-term sustainable development of the Group.

4. 氣候轉變

本集團業務範疇包括位於美國之通用航空飛機活塞發動機業務。本集團已識別並評估氣候轉變的物理性風險，並制定措施以緩減對本集團運作的影響以及保障員工的安全，當中包括確保本集團的基礎建設能有效應對極端天氣，以及嚴格遵循政府發佈的相關極端天氣指引。本集團會定期檢討應對氣候轉變的政策，致力確保成效。

於報告期內颶風艾達為工廠位處的美國阿拉巴馬州帶來了暴雨和龍捲風，並對相關的設施運作造成輕微影響。本集團目前正在探討一種新的業務中斷事件跟蹤系統，加強對業務中斷事件引致的停機時間和金錢損失跟進及檢討。

B. 社會

1. 僱傭與勞工常規

本集團深信員工對本集團的產品和服務質素的影響至為關鍵，員工是成功企業的基礎，並且是推動企業持續發展的動力。本集團致力構建與員工的和諧關係，積極維持一個多元共融、公平公正、健康安全的工作環境以凝聚人才，共同推動本集團業務的長期可持續發展。

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(a) *Equal Opportunities Policy*

The Group is convinced that providing employees with equal opportunities can improve employee satisfaction, which in turn helps attract outstanding talents and motivate employees, thus promoting the Group's business development. To ensure that no discrimination whatsoever exists in the hiring and promotion process, the Group has formulated relevant recruitment and promotion procedures to ensure that human resources decisions are made based on the capabilities, knowledge and experience of job applicants and employees related to the open positions irrespective of factors such as gender, age, race, family status, religious belief and disability.

(b) *Compensation System*

The Group also regularly reviews its compensation policies to maintain its attractiveness in the labour market. Furthermore, the Group fully considers sharing with employees the value they have created in tandem with the Group's performance growth. The Group also has a set of comprehensive human resources management policies to serve as the basis of human resources management. The policies include compensation and benefits, working hours and holidays, recruitment and selection, performance management, promotion, employment termination, training and development, and other related areas. The Group provides a fair and competitive compensation package, including basic salary, social security insurance and other fringe benefits to attract and retain quality talents, and considers a variety of factors to assess and determine pay levels, including employees' work ability, the Group's performance, and compensation levels in the market.

(a) *平等機會政策*

本集團深信為員工提供平等機會可提高員工滿意度，有助吸引優秀人才，提昇員工的動力，加快本集團的業務發展。為了確保在聘用及升遷階段中不存在任何類型的歧視，本集團制定了相關招聘及升遷程序，確保人事決策建基於應徵者及員工的才能、知識以及與職位有關的經驗，而排除性別、年齡、種族、家庭崗位、宗教信仰或殘疾等因素。

(b) *薪酬福利體系*

本集團定期檢討薪酬待遇，維持本集團在人力市場上的吸引力。本集團同時充分考慮因應本集團業績增長，公平地與員工分享所創價值。本集團亦有一套全面的人力資源管理政策作為人力資源管理的依據。該政策包括薪酬及福利、工作時間及假期、招聘及篩選、表現管理、晉升、僱傭終止、培訓及發展等相關範疇。本集團以包含基本薪金、社會安全保險及其他附帶福利的公平及具競爭力薪酬方案吸引及保留優秀人才，並會考慮多項因素來評估及制定薪酬水平，當中包括員工的工作能力、本集團效益、市場薪酬水平等。



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During the reporting period, the Group did not have any cases of violation of relevant employment laws and regulations, including labour laws, nor did it receive any complaints related to recruitment.

於報告期內，本集團並無違反包括勞動法在內的相關僱傭法律及法規的個案，亦無與招聘相關的投訴個案。

		Number of employees 員工人數	
		2021 二零二一年	2020 二零二零年
By gender	性別		
Male	男性	299	290
Female	女性	82	64
Total	總計	381	354
By employee category	僱傭類型		
Full-time	全職	367	345
Part-time	兼職	14	9
Total	總計	381	354
By age group	年齡組別		
18-30	18-30歲	67	51
31-45	31-45歲	113	108
46-60	46-60歲	139	148
Over 61	61歲以上	62	47
Total	總計	381	354
By region	地區		
United States	美國	381	354
Total	總計	381	354

Table 6 – Breakdown of Total Employees by Gender, Employee Category, Age Group, and Region

表6 – 報告期內按性別、僱傭類型、年齡組別及地區劃分的僱員總數明細

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		Turnover rate 流失比率	
		2021 二零二一年	2020 二零二零年
By gender	性別		
Male	男性	18%	39%
Female	女性	26%	34%
By age group	年齡組別		
18-30	18-30歲	37%	43%
31-45	31-45歲	20%	45%
46-60	46-60歲	16%	30%
over 61	61歲以上	8%	40%
By region	地區		
United States	美國	20%	38%

Table 7 – Breakdown of Employee Turnover Rate by Gender, Age Group, and Region

表7—報告期內按性別、年齡組別及地區劃分的僱員流失比率明細

2. OCCUPATIONAL HEALTH AND SAFETY

The Group value the occupational health and safety of every employee, and has set up a safety committee to take charge of occupational health and safety matters. The committee, which consists of the human resources manager, safety manager, fire officer, and workshop staff, is responsible for the Group's occupational health and safety matters. The committee is tasked with formulating safety management measures in line with compliance requirements, advising internal departments on government standards and regulations, and meeting regularly to review occupational health and safety issues brought up by team members.

2. 職業健康與安全

本集團重視每一名員工的職業健康與安全，集團設有安全委員會，專責本集團的職業健康及安全事務。該委員會由人事部經理、安全經理、消防主任及車間常規人員組成，並負責本集團職業健康及安全事務。委員會負責制定合規的安全管理措施、就政府標準及規例向內部部門提供建議，以及定期進行會議檢視各成員提出的職業健康及安全事宜。



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The Group has established a risk assessment mechanism that consists of a series of measures including risk identification, analysis, evaluation, treatment, monitoring and reviewing to reduce risks which are not deemed to be under acceptable limits. The Group has identified high-risk positions and implemented occupational health and safety measures accordingly to protect the safety of employees. The Group requires employees to strictly comply with the safety policy and guidelines which specify workflows, various safety measures and guidance as well as employees' responsibilities for their health and safety in the workplace.

The Group requires all employees to attend monthly safety meetings, which covers the latest information on occupational health and safety, internal safety policies and safety accident review. To effectively promote occupational health and safety, the Group also incorporates safety performance into its annual performance evaluation. The Group has also developed measures for drug abuse prevention. Through the Employee Assistance Plan, professionals are engaged to provide local employees with training, diagnosis, and consultation on drug and alcohol abuse problems, and to provide professional advice and guidance for employees.

No work related fatalities occurred in the past three years including the reporting period, and the total number of lost days due to work injury during the reporting period is 180 days. During the reporting period, the Group has no cases of violation of laws and regulations related to occupational safety and health, including the Occupational Safety and Health Act.

本集團已制定風險評估機制，其中包括一系列風險識別、分析、評估、處理、監管及檢討等措施，以減少不被視為可接受限度內的風險。本集團已識別較高危的工作崗位，並據此實施職業健康與安全措施，以保障員工的安全。本集團嚴格要求僱員遵守本集團安全政策及指引，當中清楚列明工作流程、各種安全措施及指引，以及僱員在有關工作場所的健康與安全責任。

本集團要求所有員工出席每月舉行之安全會議，涵蓋職業健康及安全的最新資訊、內部安全政策，及安全事故檢討。為有效地推動職業健康與安全，本集團亦把安全表現納入每年一次的績效評估當中。本集團另外又設立藥物濫用預防制度，當地員工可透過「員工支援計劃」，讓專業人員為其進行有關濫用藥物和酒精的培訓和診斷諮詢，並為員工提供專業建議及指導。

包括報告期內過往三年未有因工亡故事件，而報告期內因工傷損失工作日數則共有180天。於報告期內，本集團並無發現違反包括職業安全與健康法在內的職業安全健康相關的法例和法規。

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3. DEVELOPMENT AND TRAINING

The Group firmly believes that professional and efficient employees can lay a foundation for the Group's success in the future. Through employee development and training, the Group helps employees to unleash their potential and align with the Group's objectives leading to further business growth. On this ground, the Group encourages employees to participate in training courses related to personal development and work. Through the formulation of employee training policies, the Group has developed a comprehensive training system, which specifies the management responsibilities of training leaders in various departments, and provides employees with corresponding learning and training courses to continuously enhance their work knowledge and skills. The Group has also established the Educational Assistance Plan which provides eligible employees with subsidies for internal and external training related to their work. The Group believes such arrangement can effectively facilitate communication and team spirit, improve technical skills and managerial capability, as well as encouraging employees for further development.

The Group provides induction training for new employees in daily operations, and assigns experienced employees as mentors to newcomers to provide guidance on their work. The Group follows up policy training progress of new employees through the UltiPro human resources system to ensure that they have a thorough understanding of the Group's policies.

3. 發展及培訓

本集團深信專業高效的員工能奠定本集團未來成功的基礎。本集團藉僱員發展和培訓協助僱員展現潛能，同時亦可配合本集團的目標，帶領本集團的業務增長。因此，本集團鼓勵員工參與個人發展及與工作相關的培訓課程。本集團透過制定員工培訓政策，建立完整的培訓體系，當中訂明各部門培訓負責人的管理職責，為員工提供相應的學習及培訓課程，以持續增長員工的工作知識和技能。本集團亦已訂立教育援助計劃，為合資格之員工提供與工作相關之內部及外部培訓資助。本集團相信有關安排能有效促進溝通及團隊精神、提高技術技能及管理能力，更能鼓勵僱員在所有層面學習及進一步發展。

本集團於日常營運中向新入職員工提供入職培訓，讓有經驗的僱員擔任新入職員工的導師，對彼作出指導。本集團又利用 UltiPro 人力資源系統跟進新員工接受政策培訓的進度，確保新員工對集團政策有充份了解。



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Training rate and average training hours of employees during the reporting period by gender and employee category are as follows:

於報告期內，按性別及員工類別劃分的員工培訓率及受訓的平均時數如下：

		Training rate 培訓率	
		2021 二零二一年	2020 二零二零年
Gender ratio among employees trained	參加培訓的員工總數中按性別劃分的員工比例		
Male	男性	78%	82%
Female	女性	22%	18%
Employee category ratio among employees trained	參加培訓的員工總數中按員工類別劃分的比例		
Senior management	高級管理層	6%	3%
Middle management	中級管理層	12%	12%
General employee	一般員工	82%	85%
Percentage of employees trained to all employees	參加培訓的員工總數百分比	100%	100%

Note: according to the Stock Exchange's latest proposal, the percentage of employees trained is calculated by using the total number of employees trained as the denominator instead of the total number of employees in that category as the denominator. Data for the previous year are restated herein.

附註：根據聯交所最新建議，受訓僱員百分比的計算以參加培訓的員工總數作為分母計算，而不再使用該類別的員工總數作為分母。往年數據在此重列。

Table 8 – Training Rate of Employees by Gender and Employee Category during the Reporting Period

表8 – 報告期內按性別及員工類別劃分的員工培訓率

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		Average training hours completed per employee 每名僱員完成受訓的平均時數	
		2021 二零二一年	2020 二零二零年
Gender	性別		
Male	男性	4.6	1.1
Female	女性	4.0	1.2
Employee category	員工類別		
Senior management	高級管理層	4.2	1.0
Middle management	中級管理層	5.0	1.0
General employee	一般員工	4.4	1.0
All employees	所有僱員	4.5	1.1

Table 9 – Average Training Hours of Employees by Gender and Employee Category during the Reporting Period

表9 – 報告期內按性別及員工類別劃分的員工培訓率平均時數

4. LABOUR STANDARDS

(a) *Prohibition of Child Labour and Forced Labour*

The Group is firmly against child labour and forced labour, and prohibits the employment of any child labour and forced labour in any operations and services.

4. 勞工準則

(a) *禁止使用童工和強迫勞工*

本集團堅守反對童工及強迫勞工現的原則，禁止於任何營運及服務中聘用童工或強制勞工。



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Before hiring any candidates, the Group will check the age-related documents to verify their age. All employees of the Group must reach the statutory minimum working age. The Group adheres to the principle of fair and voluntary recruitment, strictly forbids forced or fraudulent recruitment, ensures that all employees work on a voluntary basis, and prohibits coercive means including withholding of documents and other undesirable methods. Where employees are required to work overtime in the production process, the Group will formulate overtime arrangements with the employee representatives and employees, and the working hours will not exceed the maximum legal limits. Moreover, management personnel will not force employees to carry out work with significant safety and health risks or illicit work.

During the reporting period, the Group found neither cases of incompliance with relevant laws and regulations on employment, including labour laws, nor incidents in violation of the laws and regulations on labour standards.

本集團在聘用任何應徵者之前均會檢查與年齡相關的檔案，有效核實其年齡，而所有員工均須符合法定工作年齡。本集團秉持公正自願原則進行招聘，嚴禁以強逼或欺詐手段招募，又確保所有員工都在自願的基礎上勞動或工作，禁止包括扣留證件等不良手法的脅迫手段。本集團在生產過程中需要加班亦會與員工代表和員工協商，並且不會超過法定時間，而管理人員亦不會自恃職務強迫員工進行具有顯著安全衛生風險或違規的工作。

於報告期內，本集團並無違反包括勞動法在內的相關僱傭法律及法規的個案，並無發現與有關勞工準則法例及規例的不合規事件。

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5. SUPPLY CHAIN MANAGEMENT

The Group places emphasis on the promotion of communication and partnership with business partners on a continuous basis, so as to maintain the quality and safety of products and services through cooperation with business partners. During the reporting period, the Group had a total of 219 active suppliers, all located in the United States. The Group carries out supplier selection and evaluation process based on quality and price with reference to internal guidance and comprehensive supplier management on all the active suppliers to regulate the engagement of suppliers. The Group also uses the Solumina Supplier Rating System Software to manage and certify suppliers to achieve the best product quality and management.

In order to ensure suppliers' capability in quality assurance, safety and environmental responsibility, the Group will arrange field visits conducted by inspection personnel to suppliers' productions sites to evaluate their production capacity and quality, so as to assess their environmental and process certifications. The evaluation reviews the production capacity, technology standards, quality assurance capabilities, supply capacity, safety and environment management qualifications if needed. The Group also carries out regular assessments on suppliers' overall capabilities, assets position, nature of the business, reputation in the industry, quality of products, goods delivery and compliance with law and regulations. The Group selects quality suppliers in compliance with regulatory requirements and requires suppliers to obtain third-party certification to facilitate the improvement and enhancement of suppliers.

5. 供應鏈管理

本集團強調持續促進與業務夥伴溝通與合作，通過業務夥伴的配合以達致維護產品與服務的質量和安全。於報告期內，本集團的活躍供應商共219家，全部位於美國。本集團依據內部指引，根據品質和價格進行篩選和評估供應商的程序，對所有活躍供應商實施完善的供應商管理以規管供應商的委聘。為了達至最佳產品質素和管理，本集團又利用Solumina供應商評級軟件管理及驗證供應商。

本集團會安排審核人員到供應商現場進行實地考察以評估供應商的生產能力及品質，以檢視其於環保及流程認證情況，根據實際需要評估供應商的生產能力、技術水平、品質保證能力、供應能力，並對安全及環境管理資格進行審查，以確保供應商在品質保證、安全和環境責任等方面的能力達到相關的要求。本集團亦對供應商的整體能力、資產狀況、業務性質、行業聲譽、產品質量、貨物交付及遵守法律及法規情況進行定期評估。本集團只選擇符合監管要求的高質量供應商供貨，並會要求供應商取得第三方認證，以推動供應商的改進和提升。



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Meanwhile, in order to promote the procurement of more eco-friendly products, the Group regularly reviews the solid and hazardous waste performance indicators of suppliers to understand the environmental impact of their products, and develops more environmental indicators to identify more eco-friendly products in the procurement process.

6. PRODUCT RESPONSIBILITY

(a) *Quality Assurance, Advertising and Label*

The Group carries out stringent quality management, covering every aspect between product production and delivery process. The Group has formulated different policies and guidelines in the design, planning and production stages to ensure that products meet relevant quality and safety requirements. Before delivering products to customers, the products must go through internal quality procedures stipulated by the Group to ensure that their quality standards not only comply with laws and regulations of the Federal Aviation Administration but also meet the quality requirements of the Group.

與此同時，為推動採購更為環保的產品，本集團會定期檢視供應商的固體和危險廢物績效指標，以了解其產品背後的環保表現，從而提供更多環保指標供採購過程辨識出更為環保的產品。

6. 產品責任

(a) *質量保證、廣告及標籤*

本集團對於質量管理實施嚴格控制，涵蓋產品生產及交付過程中的每一個環節。為確保產品符合質量和安全要求，本集團在設計、計劃和生產階段制定不同政策及指引。產品在交付予客戶之前必須通過本集團內部制定的質量控制程序，確保質量水平不單符合包含美國聯邦航空局在內的法律法規要求，且達到本集團的質量要求。

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The Group will continuously strive to ensure that its products meet regulatory requirements and customer expectations and its advertising and labels are accurate. The Group will regularly assesses its internal production processes to ensure customer satisfaction and compliance with the requirements of the Federal Aviation Administration. If a product is found to have any quality problems or other safety hazards, the Group will immediately stop selling it, promptly announce product recall in line with the relevant mechanism, notify relevant companies and institutions to stop selling and using it, recall sold items, and if necessary, immediately stop production, and report the product recall and its management to the local regulatory authority.

During the reporting period, products recalled by the Group for safety and health concerns accounted for 11% of the total products sold, all of which have been followed up and handled.

本集團將持續致力確保產品合乎監管要求及客戶期望，且確保其廣告及標籤準確，並定期評估內部生產流程，確保符合客戶滿意度及美國聯邦航空管理局等要求。若發現產品存在品質問題或者其他安全隱患，本集團會配合機制立即停止銷售及時發佈召回資訊，告知相關企業和機構停止銷售和使用，召回已銷售的產品，在必要時立即停止生產，並將召回和處理情況向當地監督管理部門報告。

於報告期內，本集團因安全與健康理由而須回收的產品佔總已售產品11%，全部經已獲跟進和處理。



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(b) Protection of Intellectual Property Rights and Customer Information

In terms of safeguarding and protecting intellectual property rights, the Group will only select products provided by legitimate manufacturers or suppliers to prevent pirated goods from using its sales channels to enter the market. Furthermore, the Information Management Department of the Group monitors the use of software to ensure all software used is licensed, and conducts regular inspections to ensure that no unlicensed software is being used in the computers of the Group. In terms of customer data protection, all orders and data of the Group's customers are handled and saved by dedicated personnel, and no other employees are allowed to access them, thus ensuring the protection of customer data.

The Group abided by relevant product liability and privacy laws, such as the Consumer Data Privacy and Security Act, and there was no case of prosecution against the Group for violation of laws related to product responsibility and privacy protection.

(b) 保障知識產權及客戶資料

在維護及保障知識產權方面，為避免有盜版貨品利用本集團的銷售渠道流入市面，本集團只會選擇銷售由合法生產商或供應商提供的產品。另外，本集團的資訊管理部監控軟體的使用，確保所用軟體均為正版軟體，並又會定期檢查以確保本集團的電腦裝置無未授權使用的軟體。而在保障客戶資料方面，本集團所有客戶訂單及資料均由專人處理和保存，嚴禁其他未獲授權的員工查閱，以確保顧客資料得到保護。

本集團遵行相關的產品責任法例，例如消費者數據隱私和安全法，期內未有因為違反與產品責任或私隱相關法例而被檢控的個案。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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7. INTEGRITY

The Group advocates honest operation and fair competition. The Group has developed a sound risk management code and internal control code, including setting out relevant policies in the employee handbook and guiding employees to abide by the code of conduct, in a bid to require all employees to observe the highest ethical, personal and professional standards. The code of conduct provides a clear definition of how to deal with conflicts of interest, gifts, and other interests. All new employees are required to complete ethics training, while directors have to regularly attend corruption prevention training to refresh their knowledge. The training materials includes the latest anti-fraud information and summaries of major fraud cases and responses in various industries, and are compiled in view of the Group's characteristics.

The Group has established and implemented an internal integrity system to strengthen the integrity of employees in management practices, and engaged a third-party agency to audit its financial statements each year. The Group has clearly defined misconduct such as bribery, corruption, embezzlement, insider trading and theft of Group assets in the employee handbook. The Group is entitled to terminate the employment contract with any employee who is bribed with money, gifts or commission, and reserves the right to take further actions against such person, in order to avoid bribery, fraud and other criminal offences. The Group has formulated an effective whistle-blowing procedure for employees, management personnel and directors to report any misconduct and dishonest conduct, and ensured that employees can report matters of concern through various channels in an absolutely confidential manner. Where a case is substantiated after investigation, the Group will take appropriate corrective measures and disciplinary actions against any persons involved. If it involves any criminal offence, the Group will hand over the case to the competent authority.

7. 維護廉潔

本集團致力提倡誠實經營及公平競爭。本集團已制定完備的風險管理守則及內部控制守則，包括於僱員手冊中載列相關政策並引導僱員遵守操守準則，務求令所有員工恪守最高的道德、個人及專業操守準則。操守準則明確界定了如何處理利益衝突及饋贈等利益。所有新入職員工都必須完成道德操守培訓，而董事亦會定期接受防貪培訓以溫故知新。培訓內容包含最新相關反舞弊的資訊，匯總各行業發生的重大舞弊事件、處理措施等，結合本集團的特點分析並編製培訓資料。

為加強員工清正廉潔的管治操守，本集團已制定並實施內部廉政制度，並每年聘請第三方機構審核內部財務。員工手冊中明確界定賄賂、貪污舞弊、挪用、內幕交易、盜竊本集團資產等不當行為，如果員工收受金錢、禮物或傭金等賄賂，本集團有權與該員工終止僱傭合約並保留權利對該人士作出進一步追究行動以避免出現例如貪污、欺詐等犯罪行為。本集團並已建立有效舉報程序作為員工、管理人員和董事舉報任何不當行為和不誠實活動的正式渠道，並確保其員工可以絕對保密的方式透過不同渠道就其關注的事項進行通報。如調查個案屬實，本集團將會採取合適的糾正措施和對涉事人作出紀律處分，倘若事件涉及刑事成分，本集團會轉交有關當局處理。



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During the reporting period, the Group found neither corruption incidents nor violations of relevant laws and regulations, including the Foreign Corrupt Practices Act.

於報告期內，本集團未發現貪腐事件，或任何違反包括反海外腐敗法在內的相關法律及規例。

8. COMMUNITY ENGAGEMENT

The Group considers that an enterprise and the community are inseparable as a whole and enterprise development is also inseparable from the support and recognition of the community. The Group considers community benefits as one of its social responsibility and understands the importance of making positive contributions to the community where it operates. The Group encourages its employees to participate in charity and social services, aiming to become a good corporate citizen, better undertake its social responsibilities and contribute to the community.

The Group will continue to regularly review its objectives and orientation for community investment, and supervise community investment, sponsorship and donation activities and the relevant approval policies.

During the reporting period, the Group engaged in 46 hours of volunteer work and over US\$12,000 in various community volunteer activities, including supporting food banks to help the disadvantaged and donating toys to inspire children in the district.

8. 社區參與

本集團認為企業和社區是不可分割的整體，企業發展同時也離不開社區的支持與認可。本集團將社區的利益視為其社會責任之一，深明對經營所在社區作出積極貢獻的重要。本集團致力鼓勵員工參與慈善及社會服務，以期承擔良好企業公民的角色，更充份履行社會責任，為社區作出貢獻。

本集團將繼續定期檢討社區投資的目標和方向，並監督社區投資、贊助和捐贈活動及批核政策。

於報告期內，本集團投放46小時義工時數及超過12,000美元於各項社區義務活動當中，其中包括支援食物銀行以協助弱勢社群，以及捐贈玩具以鼓舞區內的兒童。

OUTLOOK

Going forward, the Group will, where appropriate, conduct reviews on and make amendments to its disclosure aspects in response to the needs of various laws, Listing Rules and internal management. The Group will also continue to carry out more measures beneficial to the environment, society and governance in its business operations to live up to its commitment to the environment and society.

展望

本集團未來會因應各項法例、上市規則和內部管理的需要在披露層面上作出必要的檢討和修訂。本集團亦會繼續在營運上進行更多有利環境、社會以及管治的措施，以反映本集團對環境及社會的承擔。

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KPI B.4.2	Description of steps taken to eliminate violation practices when discovered	There was no violation during the period
指標B.4.2	描述在發現違規情況時消除有關情況所採取的步驟	期內未有違規情況
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KPI B.6.2	Number of products and service related complaints received and how they are dealt with	There were 1,671 feedback items in total and all of them were followed up by special personnel in accordance with established complaint procedures during the period
指標B.6.2	接獲關於產品及服務的投訴數目以及應對方法	期內共有1,671個意見反饋並已悉數安排專人依據既定投訴程序跟進處理
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指標B.7.1	於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果	期內未有貪污訴訟案件
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REPORT OF THE DIRECTORS 董事會報告

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

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. Details of the principal activities of its principal subsidiaries are set out in note 46 to the consolidated financial statements.

Further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance (Cap 622 of the laws of Hong Kong), including a description of the principal risks and uncertainties faced by the Group and an indication of likely future development in the Group's business, can be found in the Chairman's Statement and Management Discussion and Analysis set out on pages 2 to 10 of this annual report which forms part of this directors' report.

RESULTS AND DIVIDEND

The Group's loss for the year ended 31 December 2021 and the Group's financial position at that date are set out in the financial statements on pages 92 to 260 of this annual report.

The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2021.

董事謹此呈報截至二零二一年十二月三十一日止年度之董事會報告及本集團之經審核財務報表。

主要業務及業務回顧

本公司主要從事投資控股，其主要附屬公司之主要業務詳情載於綜合財務報表附註46。

按公司條例附表5（香港法例第622章）要求對這些業務的進一步討論及分析，包括本集團面臨的主要風險和不確定因素的描述和集團業務的可能未來發展的指示可以在載於這份年度報告的第2頁至第10頁的主席聲報告書及管理層討論及分析中找到。這個討論是本董事會報告的一部分。

業績及股息

本集團截至二零二一年十二月三十一日止年度之虧損及本集團於該日之財務狀況載於本年報第92頁至第260頁之財務報表。

董事並不建議派付截至二零二一年十二月三十一日止年度之任何股息。



REPORT OF THE DIRECTORS

董事會報告

DIVIDEND POLICY

The Company has adopted a dividend policy (the “Dividend Policy”), pursuant to which the Company may declare and distribute dividends to the shareholders of the Company to allow the shareholders to share the Company’s profits.

In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia, the following factors:

- (1) the Group’s actual and expected financial results;
- (2) the Group’s working capital requirements, capital expenditure requirements and future expansion plans;
- (3) the Group’s liquidity position; and
- (4) any other factors that the Board may consider relevant.

The payment of dividend is subject to the compliance with applicable laws and regulations, including the laws of Bermuda and the Company’s bye-laws. The Board will continue to review the Dividend Policy from time to time.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 261 of this annual report. This summary does not form part of the audited financial statements.

SHARE CAPITAL

There were no movements in the Company’s share capital during the year.

PRE-EMPTIVE RIGHTS

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

股息政策

本公司可根據已採用的股息政策（「股息政策」）向股東宣佈及分配股息，以允許股東分享公司利潤。

董事會在決定是否建議派發股息及在釐定股息金額時會考慮下列因素，其中包括：

- (1) 本集團的實際和預期財務業績；
- (2) 本集團預期營運資本要求，資本開支要求及未來擴展計劃；
- (3) 本集團的流動資金狀況；及
- (4) 董事會認為相關的其他因素。

本公司派付股息亦會遵守適用的法例及規例，包括百慕達法例及本公司章程細則。董事會將繼續不時檢討此股息政策。

財務資料概要

本集團最近五個財政年度之已公佈業績及資產、負債及非控股權益之概要（摘錄自經審核財務報表）載於本年報第261頁。該概要並非經審核財務報表的部份。

股本

年內，本公司之股本並沒有變動。

優先購買權

本公司細則或百慕達法例均無優先購買權條文，規定本公司必須按當時股東之持股比例向其發售新股。

REPORT OF THE DIRECTORS 董事會報告

DISTRIBUTABLE RESERVES

As at 31 December 2021, the Company does not have any distributable reserves calculated in accordance with the provisions of the Companies Act 1981 of Bermuda. The Company's share premium account, in the amount of HK\$1,857,729,000, may be distributed in the form of fully paid bonus shares.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

MAJOR SUPPLIERS AND CUSTOMERS

The percentages of the Group's purchases attributable to the Group's major suppliers are as follows:

		2021 二零二一年 %	2020 二零二零年 %
Percentage of purchases:	佔採購額百分比：		
From the largest supplier	來自最大供應商	8	2

The percentages of the Group's sales attributable to the Group's major customers are as follows:

		2021 二零二一年 %	2020 二零二零年 %
Percentage of sales:	佔銷售百分比：		
To the largest customer	來自最大客戶	32	26
To the five largest customers	來自五大客戶	71	66

None of the Directors or any of their close associates or any shareholders (which, to the knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest suppliers and customers.

可供分派儲備

按百慕達公司法一九八一之條文規定計算，於二零二一年十二月三十一日，本公司沒有可供分派儲備。本公司之股份溢價賬1,857,729,000港元可以繳足紅股形式予以分派。

購入、贖回或出售本公司上市證券

本公司或其任何附屬公司於年內概無購入、贖回或出售本公司任何上市證券。

主要供應商及客戶

本集團主要供應商所佔本集團之採購額百分比如下：

本集團主要客戶所佔本集團之銷售百分比如下：

董事或其任何緊密聯繫人士或據董事所知擁有本公司5%以上已發行股本之股東概無擁有本集團五大供應商和客戶任何權益。



REPORT OF THE DIRECTORS

董事會報告

DIRECTORS

The Board during the year and up to 1 April 2022 comprises:

Executive Directors:

Lai Weixuan	(resigned on 1 April 2022)
Huang Yongfeng	
Zhang Zhibiao	(resigned on 30 August 2021)
Jiao Yan	(appointed on 30 August 2021)
Yu Xiaodong	
Zhao Yang	
Li Peiyin	(appointed on 1 April 2022)

Non-executive Director:

Chow Wai Kam

Independent Non-executive Directors:

Chu Yu Lin, David
Li Ka Fai, David
Zhang Ping

Pursuant to the bye-laws of the Company, Mr. Chow Wai Kam, Mr. Chu Yu Lin, David and Mr. Zhao Yang will retire by rotation. Mr. Li Peiyin, the executive Director who was appointed by the Board on 1 April 2022, shall hold office only until the next following general meeting of the Company. All of them, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received an annual confirmation from each of the independent non-executive Directors of his independence pursuant to rule 3.13 of the Listing Rules on the Stock Exchange. The Company, as at the date of this report, still considered all the independent non-executive Directors as independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 11 to 16 of this annual report.

董事

於年內及截至二零二二年四月一日，董事會包括：

執行董事：

賴偉宣 (於二零二二年四月一日辭任)
黃勇峰
張志標 (於二零二一年八月三十日辭任)
焦燕 (於二零二一年八月三十日獲委任)
于曉東
趙揚
李培寅 (於二零二二年四月一日獲委任)

非執行董事：

周偉淦

獨立非執行董事：

朱幼麟
李家暉
張平

根據本公司細則，周偉淦先生、朱幼麟先生及趙揚先生將於應屆股東週年大會上輪席退任。李培寅先生(於二零二二年四月一日獲董事會委任之董事)之任期僅至本公司下屆股東大會為止。彼等符合資格並願意於應屆股東週年大會上重選連任。

本公司已接獲各獨立非執行董事根據聯交所上市規則第3.13條有關其獨立性之年度確認函。截至本報告日期，本公司仍認為所有獨立非執行董事均屬獨立人士。

董事及管理高層之履歷

董事及本集團管理高層之履歷載於本年報第11頁至第16頁。

REPORT OF THE DIRECTORS 董事會報告

DIRECTORS' SERVICE CONTRACTS

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

REMUNERATION POLICY

The remuneration of employees (including Directors and senior management of the Group) is determined with reference to their qualification, expertise and experience in the industry, competence, duties and responsibilities within the Group, the performance and profitability of the Group as well as the market benchmark and the prevailing market conditions. Employees shall also be eligible to receive a discretionary year-end incentive bonus, which shall be determined by the Group at its absolute discretion taking into account, inter alia, the Group's operating performance, market conditions in which the Group operates and the individual's performance, payable at such time as the Group may consider appropriate, and discretionary share options.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No Director or entities connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company's holding companies, subsidiaries or fellow subsidiaries was a party during or at the end of the year.

董事之服務合約

擬於應屆股東週年大會重選連任之董事概無與本公司或其任何附屬公司訂立僱主不可於一年內無償(法定賠償除外)終止之服務合約。

薪酬政策

僱員的薪酬(包括董事及本集團管理高層)乃參考彼等之資歷、於行業之專業知識與經驗、能力、於本集團之職責、本集團之業績表現及盈利能力,以及市場指標和當時市場情況而釐定。僱員亦有資格收取本集團根據其絕對酌情權,經考慮(其中包括)本集團之經營業績、市場狀況以及僱員個人表現,而適時發放的酌情年終獎勵花紅,以及酌情購股權。

董事於交易、安排或合約之權益

年內或年末,董事或董事之關連實體於本公司的任何控股公司、附屬公司或同系附屬公司所訂立之任何有關本集團業務之重要交易、安排或合約中概無直接或間接擁有重大權益。



REPORT OF THE DIRECTORS

董事會報告

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

Except for certain Directors who had non-beneficial interests in certain subsidiaries of the Company held for the benefits of the Company, as at 31 December 2021, none of the Directors and chief executive of the Company had an interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (a) as recorded in the register required to be kept under Section 352 of the SFO; or (b) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section of "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above and in the section of "Share option scheme" below, during the year no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company had been granted to any of the Directors or their respective spouses or children under 18 years of age; no such rights had been exercised by them; and none of the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

At the annual general meeting held on 28 May 2014, the Company adopted a share option scheme for the purpose of providing incentives and rewards to eligible participants to contribute to the business development and growth of the Group and to enable the Group to recruit high-calibre employees and attract or retain human resources that are valuable to the Group. The share option scheme is valid and effective for a period of 10 years from the date of its adoption. Further details of the share option scheme are disclosed in note 39 to the consolidated financial statements.

Since the adoption of the share option scheme, no options have been granted, exercised, lapsed, cancelled or outstanding thereunder as at 31 December 2021.

董事及行政總裁於股份、相關股份及債券之權益及淡倉

除若干董事代本公司於若干附屬公司持有非實益股權外，於二零二一年十二月三十一日，概無董事及本公司行政總裁於本公司或其任何相聯法團（證券及期貨條例（「證券及期貨條例」）第XV部所指）之股份、相關股份或債券中擁有(a)須記入本公司根據證券及期貨條例第352條須予備存之登記冊內之權益或淡倉；或(b)根據標準守則須知會本公司及聯交所之權益或淡倉。

董事認購股份或債券之權利

除上文「董事及行政總裁於股份、相關股份及債券之權益及淡倉」項下及下文「購股權計劃」項下所披露外，於年內，概無向任何董事或彼等各自之配偶或未滿18歲之子女授出可藉購買本公司股份或債券而獲益之權利，而彼等亦無行使任何該等權利；本公司或其任何控股公司、附屬公司或同系附屬公司亦無參與任何安排，致使董事可於任何其他法人團體中取得該等權利。

購股權計劃

於二零一四年五月二十八日舉行之股東週年大會上，本公司採納了一項購股權計劃，目的為對本集團之業務發展及成長作出貢獻之合資格參與者提供激勵及獎勵，以使本集團能夠招攬優秀員工並吸引或挽留對本集團具有價值之人才。該購股權計劃自採納日期起的十年期間內有效。有關該購股權計劃之進一步詳情載於綜合財務報表附註39。

自採納該購股權計劃以來，於二零二一年十二月三十一日，概無根據該計劃授出、行使、失效、註銷或尚未行使之購股權。

REPORT OF THE DIRECTORS 董事會報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2021, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

主要股東及其他人士於股份及相關股份之權益

於二零二一年十二月三十一日，本公司根據證券及期貨條例第336條存置之權益登記冊所記錄的本公司5%或以上已發行股本權益如下：

好倉：

Name of shareholders 股東名稱	Capacity and nature of interest 身份及權益性質	Number of ordinary shares held 所持普通股數目	Percentage of the Company's issued share capital as at 31 December 2021 於二零二一年十二月三十一日佔本公司已發行股本之百分比
Tacko International Limited ("Tacko")	Beneficial owner 實益擁有人	1,895,559,000	20.37
AVIC International (HK) Group Limited ("AVIC International (HK) Group") 中航國際(香港)集團有限公司 (「中航國際(香港)集團」)	Beneficial owner 實益擁有人	2,421,341,390	26.03
AVIC International (HK) Group 中航國際(香港)集團	Through a controlled corporation 通過一間受控法團	4,316,900,390	46.40
AVIC International 中航國際	Through a controlled corporation 通過一間受控法團	4,316,900,390	46.40
Aviation Industry Corporation of China, Ltd ("AVIC") 中國航空工業集團有限公司(「中航工業」)	Through a controlled corporation 通過一間受控法團	4,316,900,390	46.40



REPORT OF THE DIRECTORS

董事會報告

According to notices of disclosure of interests filed with the Company, Tacko is a wholly-owned subsidiary of AVIC International (HK) Group, which in turn is a wholly-owned subsidiary of AVIC International. AVIC International is a non-wholly-owned subsidiary of AVIC (91.14% interest controlled by AVIC as at 31 December 2021). Accordingly, each of AVIC International (HK) Group, AVIC International and AVIC is deemed to be interested in the shares held by Tacko.

Save as disclosed above, as at 31 December 2021, no person had any interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

During the year, the Company had the following continuing connected transaction, certain details of which are disclosed in compliance with the requirements of Charter 14A of the Listing Rules.

Sale services of engines and engines parts

On 22 January 2020, the Company entered into a second sale framework agreement with AVIC, pursuant to which the Group will sell engines, engine parts and related services to AVIC and/or its associates (excluding the Group) for use in new aircraft manufacture and for the sale of parts into the aftermarket for maintenance, repair and overhaul for a term from 1 April 2020 to 31 December 2021. Further details were disclosed in the announcement of the Company dated 22 January 2020 and the circular of the Company dated 19 February 2020.

On 25 October 2021, the Company entered into the supplemental sale framework agreement with AVIC to revise the original annual cap for the year ending 31 December 2021 from US\$29 million to US\$31 million. Further details were disclosed in the announcement of the Company dated 25 October 2021 and the circular of the Company dated 18 November 2021.

根據提交給本公司之權益披露通知書，Tacko為中航國際(香港)集團之全資附屬公司，而中航國際(香港)集團為中航國際之全資附屬公司。中航國際為中航工業之非全資附屬公司(於二零二一年十二月三十一日，由中航工業控制91.14%權益)。因此，中航國際(香港)集團、中航國際及中航工業均被視為於Tacko持有之股份中擁有權益。

除上文所披露外，於二零二一年十二月三十一日，概無人士於本公司股份或相關股份中擁有根據證券及期貨條例第336條而備存之登記冊內之權益或淡倉。

非獲豁免持續關連交易

於年內，本公司有以下持續關連交易，若干詳情已按上市規則第14A章之規定予以披露。

銷售發動機及發動機之零部件

於二零二零年一月二十二日，本公司與中航工業訂立第二份銷售框架協議，據此，本集團將向中航工業及／或其聯繫人(不包括本集團)出售發動機、發動機之零部件及相關服務供製造新飛機之用及將部件售往零部件市場進行保養、維修及檢修，期限由二零二零年四月一日起至二零二一年十二月三十一日止。詳情請閱二零二零年一月二十二日之本公司公告及二零二零年二月十九日之本公司通函。

於二零二一年十月二十五日，本公司與中航工業訂立補充銷售框架協議，將原截至二零二一年十二月三十一日止年度上限由29,000,000美元修訂為31,000,000美元。詳情請閱二零二一年十月二十五日之本公司公告及二零二一年十一月十八日之本公司通函。

REPORT OF THE DIRECTORS 董事會報告

The continuing connected transaction of the Company is included in the disclosure of related party transactions in note 45 to the consolidated financial statements.

The independent non-executive Directors had reviewed the above continuing connected transactions pursuant to Rule 14A.55 of the Listing Rules, and had confirmed that the continuing connected transaction had been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better; and
- (3) according to the terms of the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The total amounts of the sale income disclosed above during the year under review have not exceeded the annual cap amounts of US\$31 million (equivalent to approximately HK\$240 million).

Deloitte Touche Tohmatsu, the Company's external auditors, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, and with reference to Practice Note 740 Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules issued by the Hong Kong Institute of Certified Public Accountants. Deloitte Touche Tohmatsu have issued their unqualified letter containing the findings and conclusions in respect of the non-exempt continuing connected transactions disclosed above in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

本公司的持續關聯交易在綜合財務報表附註45中作為關聯交易披露。

獨立非執行董事已根據上市規則第14A.55條審閱上述持續關連交易，並已確認該等持續關連交易：

- (1) 在本集團的日常業務中訂立；
- (2) 按一般商業條款或更佳的條款訂立；及
- (3) 根據相關框架協議的條款進行，條款公平合理，並且符合本公司股東的整體利益。

於回顧年度內，上文所披露的銷售收入總金額未超過年度上限31,000,000美元（約240,000,000港元）。

本公司已委聘核數師德勤•關黃陳方會計師行，遵照香港會計師公會發出的《香港核證聘用準則3000》（經修訂）的「歷史財務資料審計或審閱以外的核證聘用」並參照《實務說明》第740號「關於香港《上市規則》所述持續關連交易的核數師函件」，就本集團的持續關連交易作出報告。德勤•關黃陳方會計師行已根據上市規則第14A.56條發出其無保留意見函件，當中載有其有關本集團於上文所披露之持續關連交易的結果及結論。本公司已經向聯交所提交核數師函件之副本。



REPORT OF THE DIRECTORS

董事會報告

Save as disclosed above, there is no related party transaction or continuing related party transaction set out in note 45 to the financial statements that falls into the category of connected transaction or continuing connected transaction that needs to be disclosed under the Listing Rules. The Directors confirmed that the Company had complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, the following Director had interests in the following businesses conducted through the company named below which are considered to compete or be likely to compete, either directly or indirectly, with the business of the Group, as defined in the Listing Rules:

Name of Director 董事姓名	Name of company 公司名稱	Nature of interest 權益性質	Nature of competing business 競爭業務性質
Chow Wai Kam 周偉淦	CK Asset Holdings Limited 長江實業集團有限公司	Executive director 執行董事	– Property development and investment (“Excluded Businesses”) 物業發展及投資 (「豁免業務」)

The Board is of the view that the Group is capable of carrying on its business independently of, and at arm’s length from the Excluded Businesses. When making decisions on the businesses of the Excluded Businesses of the Group, Mr. Chow, in the performance of his duties as Director, has acted and will continue to act in the best interest of the Group.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in the Hong Kong Companies Ordinance) for the benefit of the Directors of the Company is currently in force and was in force throughout the year 2021.

除上述披露外，概無其他載列於綜合財務報表附註45的任何關聯方交易或持續關聯方交易屬於上市規則項下須予披露的關連交易或持續關連交易。董事確認本公司已遵守上市規則第14A章之規定予以披露。

董事於競爭性業務上之權益

年內，下列董事透過下述公司持有下列業務的權益，而該等業務根據上市規則定義被視為與本集團的業務有競爭或可能有直接或間接競爭：

董事會認為本集團有能力獨立地及基於各自利益來經營豁免業務。在本集團就其豁免業務進行決策時，周先生在執行其董事職務時，已經並將會繼續以本集團之最佳利益行事。

彌償條文

為公司董事的利益而訂立的彌償條文(定義見「香港公司條例」)現正生效，並於二零二一年全年生效。

REPORT OF THE DIRECTORS 董事會報告

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITORS

On 9 April 2020, Ernst & Young has resigned as the auditors of the Company. Following the resignation of Ernst & Young as auditors of the Company, Deloitte Touche Tohmatsu has been appointed as the auditors of the Company on 9 April 2020 to fill the vacancy. Save as disclosed above, there were no other changes in auditors of the Company in any of the preceding three years.

The financial statements of the Company and the Group for the year ended 31 December 2021 have been audited by Deloitte Touche Tohmatsu who shall retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Continental Aerospace Technologies Holding Limited

Lai Weixuan

Chairman

Hong Kong
31 March 2022

公眾持股量

根據本公司循公眾途徑獲得的資料及據董事所知，截至本報告日期，公眾人士至少持有本公司已發行股本總額之25%。

核數師

安永會計師事務所於二零二零年四月九日辭任本公司核數師。安永會計師事務所辭任本公司核數師後，德勤•關黃陳方會計師行於二零二零年四月九日獲委任為本公司核數師，以填補空缺。除上文所披露者外，在過去三年中，本公司核數師沒有其他變動。

本公司與本集團截至二零二一年十二月三十一日止年度之財務報表經由德勤•關黃陳方會計師行審核。德勤•關黃陳方會計師行應於應屆股東週年大會上退任，而一項續聘彼等為本公司核數師之決議案將於應屆股東週年大會上提呈。

承董事會命

**Continental Aerospace Technologies
Holding Limited**
大陸航空科技控股有限公司

賴偉宣

主席

香港
二零二二年三月三十一日



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Deloitte.

德勤

TO THE SHAREHOLDERS OF CONTINENTAL AEROSPACE TECHNOLOGIES HOLDING LIMITED

(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Continental Aerospace Technologies Holding Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 92 to 260, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致Continental Aerospace Technologies Holding Limited大陸航空科技控股有限公司 股東

(於百慕達註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第92至260頁的Continental Aerospace Technologies Holding Limited大陸航空科技控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表,此財務報表包括於二零二一年十二月三十一日的綜合財務狀況表,與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零二一年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及其綜合現金流量,並已按照香港《公司條例》的披露要求妥為擬備。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) 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 MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter.

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於 貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTER (continued)

關鍵審計事項 (續)

Key audit matter	How our audit addressed the key audit matter
關鍵審計事項	我們的審計如何對關鍵事項進行處理
Impairment assessment on other intangible assets 其他無形資產減值評估	
<p>We identified the impairment assessment on other intangible assets as a key audit matter due to the subjective valuation parameters used and significant estimations exercised by the management of the Group for the impairment assessment, as disclosed in note 4 to the consolidated financial statements.</p> <p>由於 貴集團管理層就減值評估所使用的主觀評估參數及所作出的重大估計，我們將其他無形資產的減值評估識別為關鍵審計事項，誠如綜合財務報表附註4所披露。</p> <p>The carrying amount of other intangible assets was HK\$1,564,078,000 as at 31 December 2021. At the end of each reporting period, the management reviews the carrying amounts of its other intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of other intangible assets individually, the Group estimates the recoverable amounts of respective cash-generating unit ("CGU") to which the other intangible assets belong. The recoverable amounts of the CGUs have been determined based on a value-in-use calculation, details of which including key assumptions underlying the value-in-use calculation are set out in note 16. The value-in-use calculation requires the management to estimate the future cash flows expected to arise from each CGU and discount rate to determine the present value.</p> <p>於二零二一年十二月三十一日，其他無形資產的賬面值為1,564,078,000港元。於各報告期末，管理層審閱其有限使用年限的其他無形資產的賬面值，以確定是否有任何跡象顯示該等資產已出現減值虧損。如果有任何有關跡象，則估計相關資產的可收回金額以確定減值虧損的程度。當無法單獨估計其他無形資產的可收回金額時， 貴集團估計其他無形資產所屬的相應現金產生單元（「現金產生單元」）的可收回金額。基於使用價值計算確定現金產生單元的可收回金額，其詳情包括使用價值計算所依據的關鍵假設，載於附註16。使用價值計算要求管理層估計預期每個現金產生單元所產生的未來現金流量和釐定現值方面的折現率。</p>	<p>Our procedures in relation to the impairment assessment on other intangible assets included:</p> <p>我們有關其他無形資產的減值評估的程序包括：</p> <ul style="list-style-type: none"> • Understanding and evaluating the Group's impairment assessment process, including identification of impairment indicators, the value-in-use model adopted, identification of CGUs, assumptions used, the involvement of the independent qualified valuer ("Valuer"); • 了解及評估 貴集團的減值評估程序，包括識別減值跡象、所採用的使用價值模型、現金產生單元的識別、所用假設、獨立合資格估值師（「估值師」）的參與情況； • Assessing the competence, capabilities and objectivity of the Valuer; • 評估估值師的才能、能力及客觀性；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTER (continued)

關鍵審計事項 (續)

Key audit matter	How our audit addressed the key audit matter
關鍵審計事項	我們的審計如何對關鍵事項進行處理
<p>During the year ended 31 December 2021, the Group recognised impairment loss of HK\$6,428,000 on other intangible assets. Details of the above impairment assessment are disclosed in notes 16 and 17 to the consolidated financial statements.</p> <p>截至二零二一年十二月三十一日止年度，貴集團確認其他無形資產減值虧損6,428,000港元。上述減值評估詳情披露於綜合財務報表附註16及17。</p>	<ul style="list-style-type: none"> • Assessing the reasonableness of the budgeted cash flows prepared by the management of the Group, including evaluating key assumptions applied in value-in-use calculations, such as estimated annual revenue growth rates, long-term growth rate, gross margins and discount rate used in the cash flow forecast of each CGU and conducting retrospective review on historical accuracy of the budgeted cash flows; • 評估貴集團管理層所編製現金流量預測的合理性，包括評估使用價值計算所用的關鍵假設，例如，各現金產生單元的現金流量預測所用的估計年度收益增長率、長期增長率、毛利率及折現率，並就現金流量預測的過往準確性進行回溯審閱； • Testing the mathematical accuracy of the value-in-use calculations; and • 檢測使用價值計算的算術準確性；及 • Reviewing the sensitivity analysis performed by management. • 審閱管理層進行的敏感度分析。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

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

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

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

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

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

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

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

其他信息

貴公司董事需對其他信息負責。其他信息包括年報內的信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露要求擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

治理層須負責監督 貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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 HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並按照《百慕達公司法》第90條的規定僅向全體股東出具包括我們意見的核數師報告。除此之外，我們的報告不可用作其他用途。本行並不就本行報告之內容對任何其他人士承擔任何責任或接受任何義務。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

We communicate with 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.

核數師就審計綜合財務報表承擔的責任 *(續)*

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評估綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與治理層溝通了審計的計劃範圍、時間安排以及重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Chu, Johnny Chun Yin.

核數師就審計綜合財務報表承擔的責任 (續)

我們還向治理層提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及為消除對獨立性的威脅所採取的行動或防範措施(若適用)。

從與治理層溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律或法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在本報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是朱俊賢。

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
31 March 2022

德勤·關黃陳方會計師行
執業會計師
香港
二零二二年三月三十一日



CONSOLIDATED STATEMENT OF PROFIT OR LOSS 綜合損益表

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

			2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
		NOTES 附註		
Revenue	收益	5	1,416,409	1,246,809
Cost of sales and services	銷售及服務成本		(1,068,000)	(1,064,610)
Gross profit	毛利		348,409	182,199
Other income	其他收入	5	63,350	22,644
Impairment losses under expected credit loss model, net of reversal	預期信貸虧損模型下之減值虧損減撥回之淨額	5	4,337	10,556
Other gains and losses	其他利潤及虧損	5	1,966	(51,263)
Impairment of property, plant and equipment and other intangible assets	物業、廠房及設備以及其他無形資產減值	13/17	(11,956)	(85,274)
Impairment of goodwill	商譽減值	16	-	(385,770)
Selling and distribution expenses	銷售及營銷費用		(57,341)	(127,077)
Administrative expenses	行政管理費用		(338,303)	(316,682)
Research and development costs	研發成本		(16,562)	(37,921)
Share of results of an associate	分佔聯營公司業績		(4,130)	(1,191)
Finance costs	財務開支	7	(14,560)	(18,751)
Loss before tax	除稅前虧損		(24,790)	(808,530)
Income tax (expense) credit	所得稅(開支)抵免	8	(31,182)	51,792
Loss for the year	本年虧損	9	(55,972)	(756,738)
Loss per share attributable to ordinary equity holders of the parent	母公司普通權益持有人應佔每股虧損			
Basic	基本	12	(HK0.60 cents) (0.60港仙)	(HK8.13 cents) (8.13港仙)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 綜合全面收益表

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

			2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
		NOTE 附註		
Loss for the year	本年虧損		(55,972)	(756,738)
Other comprehensive (expense) income	其他全面(支出)收益			
Items that may be reclassified to profit or loss in subsequent periods:	於其後期間可能重新分類至損益之項目：			
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額		(12,542)	33,123
Items that will not be reclassified to profit or loss in subsequent periods:	於其後期間不會重新分類至損益之項目：			
Actuarial gains (losses) on defined benefit plans	定額福利計劃精算利潤(虧損)	37	7,014	(702)
Income tax effect	所得稅影響		(179)	95
			6,835	(607)
Changes in fair value of equity investments designated at fair value through other comprehensive income	按公平值計入其他全面收益之股本投資之公平值變動		-	(3,332)
			6,835	(3,939)
Other comprehensive (expense) income for the year, net of tax	本年其他全面(支出)收益(扣除稅項後)		(5,707)	29,184
Total comprehensive expense for the year	本年全面支出總額		(61,679)	(727,554)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

At 31 December 2021 於二零二一年十二月三十一日

			2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
	NOTES 附註			
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment	13	物業、廠房及設備	458,727	481,329
Right-of-use assets	14	使用權資產	289,033	301,528
Investment property	15	投資物業	123,800	128,200
Goodwill	16	商譽	14,163	14,927
Other intangible assets	17	其他無形資產	1,564,078	1,657,066
Interest in an associate	18	於聯營公司之權益	20,371	12,029
Interest in a joint venture	19	於合營公司之權益	-	-
Financial assets at fair value through profit or loss	20	按公平值計入損益之財務資產	1,938	1,938
Equity investments designated at fair value through other comprehensive income	21	按公平值計入其他全面收益之股本投資	389	389
Deferred tax assets	36	遞延稅項資產	-	28,120
Total non-current assets		非流動資產總值	2,472,499	2,625,526
CURRENT ASSETS		流動資產		
Inventories	22	存貨	492,972	442,878
Loans to an associate	18	向聯營公司提供的貸款	7,121	11,135
Loans to a joint venture	19	向合營公司提供的貸款	7	1,046
Trade receivables	23	應收貿易賬款	117,435	122,955
Prepayments, deposits and other receivables	24	預付款項、按金及其他應收賬款	24,282	45,156
Amounts due from fellow subsidiaries	25	應收同系附屬公司款項	25,823	15,788
Cash and cash equivalents	26	現金及現金等值	623,119	914,072
Total current assets		流動資產總值	1,290,759	1,553,030

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

At 31 December 2021 於二零二一年十二月三十一日

			2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
		NOTES 附註		
CURRENT LIABILITIES	流動負債			
Trade payables	應付貿易賬款	27	133,422	107,783
Other payables and accruals	其他應付賬款及應計費用	28	99,980	116,493
Amounts due to intermediate holding companies	應付中間控股公司款項	29	27,495	26,456
Tax payable	應付稅項		40,003	38,283
Contract liabilities	合約負債	30	8,139	17,948
Bank borrowings	銀行借貸	31	-	195,343
Provisions	撥備	32	75,291	104,618
Lease liabilities	租賃負債	33	6,533	5,311
Total current liabilities	流動負債總值		390,863	612,235
Net current assets	流動資產淨值		899,896	940,795
			3,372,395	3,566,321
EQUITY	權益			
Share capital	股本	34	930,337	930,337
Reserves	儲備		1,854,124	1,915,803
Total equity	權益總值		2,784,461	2,846,140
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債	36	211,518	226,902
Contract liabilities	合約負債	30	29,253	28,935
Provisions	撥備	32	32,394	32,529
Lease liabilities	租賃負債	33	304,485	309,586
Defined benefit plan obligations	定額福利計劃責任	37	10,284	16,773
Bank borrowings	銀行借貸	31	-	57,559
Other financial liabilities	其他財務負債	38	-	47,897
Total non-current liabilities	非流動負債總值		587,934	720,181
			3,372,395	3,566,321

The consolidated financial statements on pages 92 to 260 were approved and authorised for issue by the board of directors on 31 March 2022 and are signed on its behalf by:

載於第92頁至第260頁之綜合財務報表已由董事會於二零二二年三月三十一日批准及授權發行，並由以下人士代為簽署：

Lai Weixuan
賴偉宣
DIRECTOR
董事

Zhao Yang
趙揚
DIRECTOR
董事



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

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

		Share capital	Share premium account
		股本 HK\$'000 千港元	股份溢價賬 HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日	930,337	1,857,729
Loss for the year	本年虧損	-	-
Other comprehensive (expense) income for the year:	本年其他全面(支出)收益:		
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	-	-
Actuarial losses on defined benefit plans, net of tax	定額福利計劃精算虧損(扣除稅項後)	-	-
Changes in fair value of equity investments designated at fair value through other comprehensive income	按公平值計入其他全面收益之股本投資之公平值變動	-	-
Total comprehensive (expense) income for the year	本年全面(支出)收益總額	-	-
Deregistration of a subsidiary	註銷附屬公司	-	-
Disposal of equity investments designated at fair value through other comprehensive income	出售按公平值計入其他全面收益之股本投資		
- listed	- 上市	-	-
- unlisted	- 非上市	-	-
Transfer from retained profits	自留存溢利轉撥	-	-
At 31 December 2020	於二零二零年十二月三十一日	930,337	1,857,729

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

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

Asset revaluation reserve	Fair value reserve of equity investments designated at fair value through other comprehensive income 按公平值計入 其他全面收益之 股本投資之 公平值儲備	Reserve fund 儲備金 HK\$'000 千港元 (note 35) (附註35)	Exchange fluctuation reserve 匯兌波動儲備 HK\$'000 千港元	Retained profits 留存溢利 HK\$'000 千港元	Total equity 權益總值 HK\$'000 千港元
130,615	(785,235)	5,310	(36,499)	1,471,437	3,573,694
-	-	-	-	(756,738)	(756,738)
-	-	-	33,123	-	33,123
-	-	-	-	(607)	(607)
-	(3,332)	-	-	-	(3,332)
-	(3,332)	-	33,123	(757,345)	(727,554)
-	-	(5,186)	-	5,186	-
-	568,004	-	-	(568,004)	-
-	(3,889)	-	-	3,889	-
-	-	59	-	(59)	-
130,615	(224,452)	183	(3,376)	155,104	2,846,140



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

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

		Share capital	Share premium account
		股本 HK\$'000 千港元	股份溢價賬 HK\$'000 千港元
At 1 January 2021	於二零二一年一月一日	930,337	1,857,729
Loss for the year	本年虧損	-	-
Other comprehensive (expense) income for the year:	本年其他全面(支出)收益：		
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	-	-
Actuarial gains on defined benefit plans, net of tax	定額福利計劃精算利潤 (扣除稅項後)	-	-
Total comprehensive expense for the year	本年全面支出總額	-	-
At 31 December 2021	於二零二一年十二月三十一日	930,337	1,857,729

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

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

Asset revaluation reserve	Fair value reserve of equity investments designated at fair value through other comprehensive income 按公平值計入 其他全面收益之 股本投資之 公平值儲備	Reserve fund 儲備金 HK\$'000 千港元 (note 35) (附註35)	Exchange fluctuation reserve 匯兌波動儲備 HK\$'000 千港元	Retained profits 留存溢利 HK\$'000 千港元	Total equity 權益總值 HK\$'000 千港元
130,615	(224,452)	183	(3,376)	155,104	2,846,140
-	-	-	-	(55,972)	(55,972)
-	-	-	(12,542)	-	(12,542)
-	-	-	-	6,835	6,835
-	-	-	(12,542)	(49,137)	(61,679)
130,615	(224,452)	183	(15,918)	105,967	2,784,461



CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

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

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動之現金流量		
Loss before tax	除稅前虧損	(24,790)	(808,530)
Adjustments for:	調整：		
Finance costs	財務開支	14,560	18,751
Share of results of an associate	分佔聯營公司之業績	4,130	1,191
Bank interest income	銀行利息收入	(3,586)	(8,394)
Bank borrowings forgiven under Paycheck Protection Program ("PPP")	根據薪資保障計劃 (「薪資保障計劃」) 豁免之銀行借貸	(57,559)	-
Interest income on loans to an associate	向聯營公司提供的貸款之 利息收入	(448)	(550)
Interest income on loans to a joint venture	向合營公司提供的貸款之 利息收入	(285)	-
Loss on disposal of property, plant and equipment	出售物業、廠房和設備之 虧損	7,866	58
Write-down of inventories	存貨減值	8,197	38,278
Impairment of goodwill	商譽減值	-	385,770
Impairment of property, plant and equipment and other intangible assets	物業、廠房和設備以及 其他無形資產減值	11,956	85,274
Depreciation of property, plant and equipment	物業、廠房和設備之折舊	46,015	60,131
Depreciation of right-of-use assets	使用權資產之折舊	15,834	16,380
Amortisation of other intangible assets	其他無形資產之攤銷	87,094	88,009
Impairment losses under expected credit loss model on trade receivables, net of reversal	應收貿易賬款於預期信貸 虧損模型下之減值虧 損，扣除撥回	426	5,510
Reversal of impairment losses under expected credit loss model on other receivables	其他應收賬款於預期 信貸虧損模型下之 減值虧損之撥回	(2,931)	(16,066)
Reversal of impairment losses under expected credit loss model on loans to a joint venture	向合營公司提供的貸款於 預期信貸虧損模型下之 減值虧損之撥回	(1,832)	-
Fair value loss on an investment property	投資物業之公平值虧損	4,400	23,300
Gain on deemed disposal of an associate	視為出售聯營公司之利潤	(11,790)	(767)
Fair value (gain) loss on other financial liabilities	其他財務負債之公平值 (利潤) 虧損	(12,525)	47,897
Operating cash flows before movements in working capital	扣除營運資金變動前的 經營現金流量	84,732	(63,758)

CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

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

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
(Increase) decrease in inventories	存貨(增加)減少	(59,905)	6,998
Decrease (increase) in trade receivables	應收貿易賬款減少(增加)	4,826	(25,234)
(Increase) decrease in amounts due from fellow subsidiaries	應收同系附屬公司款項(增加)減少	(10,035)	4,223
Decrease (increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收賬款減少(增加)	23,769	(556)
Increase in trade payables	應付貿易賬款增加	25,284	22,171
(Decrease) increase in other payables and accruals	其他應付賬款及應計費用(減少)增加	(16,839)	15,604
(Decrease) increase in provisions	撥備(減少)增加	(30,251)	58,791
(Decrease) increase in contract liabilities	合約負債(減少)增加	(9,491)	7,658
Increase in defined benefit plan obligations	定額福利計劃責任增加	346	315
Cash generated from operations	營運產生之現金	12,436	26,212
Interest paid	已付利息	(14,268)	(14,500)
Tax paid	已付稅項	(11,924)	(11,901)
NET CASH USED IN OPERATING ACTIVITIES	經營活動使用之現金淨額	(13,756)	(189)
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動之現金流量		
Purchases of items of property, plant and equipment	購入物業、廠房和設備項目	(43,375)	(126,469)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房和設備項目所得款項	2,827	1,879
Additions of other intangible assets	添加其他無形資產	(25,245)	(35,625)
Proceeds from disposal of equity investment designated at fair value through other comprehensive income	出售按公平值計入其他全面收益之股本投資之所得款項	-	30,710
Deposit received for disposal of a joint venture	收到出售合營公司之按金	-	13,529
Bank interest received	已收銀行利息	3,586	8,394
Interest received on loans to an associate	已收向聯營公司提供的貸款之利息	1,908	-
Receipt of repayment of a loan from a third party	收到第三方歸還貸款	-	11,429
Receipt of repayment of a loan to an associate	收到向聯營公司提供的貸款之還款	2,935	-
Receipt of repayment of a loan to a joint venture	收到向合營公司提供的貸款之還款	3,176	-
Advance of a loan to a joint venture	向合營公司墊付貸款	-	(1,046)
NET CASH USED IN INVESTING ACTIVITIES	投資活動使用之現金淨額	(54,188)	(97,199)



CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

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

			2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動之現金流量	43		
New bank loans	新銀行貸款		-	231,115
Repayment of bank borrowings	償還銀行貸款		(195,343)	(203,374)
Repayment of other financial liabilities	償還其他財務負債		(35,372)	-
Advance from an intermediate holding company	中間控股公司墊款		1,039	-
Principal portion of lease payments	租賃付款之本金部份		(7,217)	(5,934)
Interest paid	已付利息		(159)	(4,251)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	融資活動(使用)產生之現金淨額		(237,052)	17,556
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值減少淨額		(304,996)	(79,832)
Cash and cash equivalents at beginning of year	年初之現金及現金等值		914,072	990,386
Effect of foreign exchange rate changes, net	匯率變動影響淨額		14,043	3,518
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終之現金及現金等值		623,119	914,072
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值結餘之分析			
		26		
Cash and bank balances	現金及銀行結存		429,369	596,322
Non-pledged time deposits with original maturity of less than three months when acquired	取得時原到期日不足三個月之無抵押定期存款		193,750	317,750
			623,119	914,072

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

1. GENERAL INFORMATION

Continental Aerospace Technologies Holding Limited (the “Company”) is a public limited liability company incorporated in Bermuda and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The directors of the Company regard Aviation Industry Corporation of China, Ltd. (incorporated in the People’s Republic of China (the “PRC”)) as its ultimate parent. The registered office of the Company is located at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton, HM 10, Bermuda. The head office and principal place of business is located at Unit A, 20/F, Tower 2, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong.

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

During the year, the Company and its subsidiaries (the “Group”) were mainly involved in the general aviation aircraft piston engine business.

1. 一般資料

Continental Aerospace Technologies Holding Limited 大陸航空科技控股有限公司 (「本公司」) 為一間於百慕達註冊成立之公眾有限公司，其股份於香港聯合交易所有限公司 (「聯交所」) 主板上市。本公司董事將中國航空工業集團有限公司 (於中華人民共和國 (「中國」) 註冊成立) 視為其最終母公司。本公司之註冊辦事處為 Victoria Place, 5th Floor, 31 Victoria Street, Hamilton, HM 10, Bermuda。總部及主要營運地點位於香港金鐘夏愨道18號海富中心第二座20樓A室。

綜合財務報表以港元 (「港元」) 呈列，此亦為本公司的功能貨幣。

年內，本公司及其附屬公司 (「本集團」) 主要從事通用航空飛機活塞發動機業務。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

Amendments to HKFRSs that are mandatorily effective for the current year

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

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

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the “Committee”) of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories. The Group’s existing policy is consistent with the agenda decision of the Committee.

2. 應用香港財務報告準則（「香港財務報告準則」）之修訂

於本年度強制生效的香港財務報告準則之修訂

於本年度，本集團已就編製綜合財務報表首次應用由香港會計師公會（「香港會計師公會」）頒佈並於二零二一年一月一日或之後開始的年度期間強制生效的下列香港財務報告準則之修訂：

香港財務報告準則第16號的修訂	Covid-19疫情相關租金優惠
香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號的修訂	利率基準改革—第二階段

此外，本集團應用國際會計準則理事會國際財務報告準則詮釋委員會（「委員會」）於二零二一年六月發佈之議程決定，該決定澄清實體於釐定存貨的可變現淨值時應將成本計入「進行銷售所必需的估計成本」。本集團現有政策與委員會的議程決定一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

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

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

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments ³
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³

2. 應用香港財務報告準則(「香港財務報告準則」)之修訂(續)

於本年度強制生效之香港財務報告準則之修訂(續)

於本年內應用香港財務報告準則的修訂及委員會的議程決定並無對本集團於當前及過往年度內之財務狀況及表現及／或於此等綜合財務報表內所載之披露構成重大影響。

已頒佈但未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第17號	保險合約及相關修訂 ³
香港財務報告準則第3號之修訂	概念框架指引 ²
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營公司之間之資產出售或注資 ⁴
香港財務報告準則第16號之修訂	二零二一年六月三十日後 Covid-19疫情相關租金優惠 ¹
香港會計準則第1號之修訂	流動或非流動負債分類以及香港詮釋第5號(二零二零年)之相關修訂 ³



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

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

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

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies 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.

2. 應用香港財務報告準則（「香港財務報告準則」）之修訂（續）

已頒佈但未生效之新訂及經修訂香港財務報告準則（續）

香港會計準則第1號之修訂及香港財務報告準則實務公告第2號	披露會計政策 ³
香港會計準則第8號之修訂	會計估計之定義 ³
香港會計準則第12號之修訂	與從單一交易產生之資產及負債有關之遞延稅項 ³
香港會計準則第16號之修訂	物業、廠房和設備—擬定用途前之所得款項 ²
香港會計準則第37號之修訂	虧損性合約—履行合約之成本 ²
香港財務報告準則之修訂	香港財務報告準則二零一八年至二零二零年之年度改進 ²

¹ 於二零二一年四月一日或之後開始之年度期間生效。

² 於二零二二年一月一日或之後開始之年度期間生效。

³ 於二零二三年一月一日或之後開始之年度期間生效。

⁴ 於待定日期或之後開始之年度期間生效。

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2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)**New and amendments to HKFRSs in issue but not yet effective (continued)**

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

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

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

As disclosed in note 3 to the consolidated financial statements, the Group applies HKAS 12 requirements to the relevant assets and liabilities separately. Temporary differences on initial recognition of the relevant assets and liabilities are not recognised due to application of the initial recognition exemption.

2. 應用香港財務報告準則（「香港財務報告準則」）之修訂（續）**已頒佈但未生效之新訂及經修訂香港財務報告準則（續）**

除下文所述香港財務報告準則之修訂外，本公司董事預期，應用所有其他新訂及經修訂香港財務報告準則於可預見未來不會對綜合財務報表產生重大影響。

香港會計準則第12號之修訂與從單一交易產生之資產及負債有關之遞延稅項

該等修訂縮窄香港會計準則第12號所得稅第15及24段遞延稅項負債及遞延稅項資產的確認豁免範圍，使其不再適用於在初始確認時產生相等的應課稅和可抵扣臨時差額的交易。

如綜合財務報表附註3所披露，本集團將香港會計準則第12號的規定分別應用於相關資產及負債。因適用初始確認豁免，不確認相關資產和負債初始確認的臨時差額。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

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

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

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted. As at 31 December 2021, the carrying amounts of right-of-use assets and lease liabilities which are subject to the amendments amounted to HK\$281,113,000 and HK\$311,018,000 respectively. The Group is still in the process of assessing the full impact of the application of the amendments.

2. 應用香港財務報告準則（「香港財務報告準則」）之修訂（續）

已頒佈但未生效之新訂及經修訂香港財務報告準則（續）

香港會計準則第12號之修訂與從單一交易產生之資產及負債有關之遞延稅項（續）

應用該等修訂後，本集團將就與使用權資產及租賃負債相關的所有可扣減及應課稅臨時差額確認遞延稅項資產（倘應課稅溢利很可能被用作抵銷且可扣減臨時差額可被動用）及遞延稅項負債。

該等修訂自二零二三年一月一日或之後開始的年度報告期間生效，允許提前應用。於二零二一年十二月三十一日，使用權資產和租賃負債（須予修訂）的賬面值分別為281,113,000港元及311,018,000港元。本集團仍在評估應用該等修訂的全面影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

3.1 Basis of preparation of consolidated financial statements

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

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

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

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

3. 綜合財務報表之編製基準及重大會計政策

3.1 綜合財務報表之編製基準

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。就編製綜合財務報表而言，尚可合理預計資料會影響主要使用者作出的決策，則有關資料被認為屬重大。此外，綜合財務報表包括聯交所證券上市規則（「上市規則」）及香港公司條例所規定的適用披露。

於批准綜合財務報表時，本公司董事合理預期本集團有足夠資源於可預見未來繼續營運。因此，彼等於編製綜合財務報表時採納持續經營會計基礎。

於各報告期末，綜合財務報表已根據歷史成本基準編製，惟若干物業及金融工具按公平值計量除外（於下文載列之會計政策說明）。

歷史成本一般基於交換貨品及服務所給予之代價之公平值。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

3.1 Basis of preparation of consolidated financial statements (continued)

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

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.1 綜合財務報表之編製基準 (續)

公平值為計量日期市場參與者在有序交易中出售資產所得到或轉讓負債所付出的作價不論該價格是否直接觀察可得或使用另一種估值技術估計。估計資產或負債之公平值時，本集團考慮市場參與者在計量日期為該資產或負債進行定價時將會考慮的資產或負債特徵。在該等綜合財務報表中計量及／或披露之公平值均在此基礎上予以確定，惟香港財務報告準則第2號股份償付範圍內之股份償付交易、香港財務報告準則第16號租賃範圍內之租賃交易以及與公平值類似但並非公平值之計量（例如，香港會計準則第2號中之可變現淨值或香港會計準則第36號資產減值中之使用價值）除外。

非財務資產之公平值計量乃考慮市場參與者通過使用其資產之最高及最佳用途或將其出售予將使用其最高及最佳用途之另一市場參與者，而能夠產生經濟利益之能力。

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

3.1 Basis of preparation of consolidated financial statements (continued)

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

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

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.1 綜合財務報表之編製基準 (續)

就於往後期間使用不可觀察輸入數據計量公平值之估值方法以公平值進行交易之金融工具及投資物業以及而言，估值方法曾經校準，以使初始確認時估值方法的結果與交易價格相同。

此外，就財務報告而言，公平值計量根據公平值計量之輸入數據可觀察程度及輸入數據對公平值計量之整體重要性分類為第一級、第二級及第三級，載述如下：

- 第一級輸入數據是實體於計量日期可以取得之相同資產或負債於活躍市場的報價（未調整）；
- 第二級輸入數據是就資產或負債直接或間接地可觀察之輸入數據（第一級內包括之報價除外）；及
- 第三級輸入數據是資產或負債之不可觀察輸入數據。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3.1 Basis of preparation of consolidated financial statements (continued)

Basis of consolidation

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

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

3.2 Significant accounting policies

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

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.1 綜合財務報表之編製基準 (續)

綜合基準

綜合財務報表包括本公司及本公司控制之實體以及其附屬公司。於下列情況下，即代表本公司擁有控制權：

- 可對被投資公司行使權力；
- 就參與被投資公司營運所得之可變動回報有風險承擔或享有權利；及
- 能夠向被投資公司運用其權力以影響其回報。

3.2 重大會計政策

倘事實及情況反映上文所列三項控制權因素其中一項或多項有變，則本集團會重估是否仍然控制被投資公司。

本集團取得附屬公司控制權時將其綜合入賬，失去有關控制權時則終止綜合入賬。具體而言，年內收購或出售附屬公司之收入及支出自本集團取得控制權當日起至本集團不再控制附屬公司當日止計入綜合損益表。

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

3.2 Significant accounting policies (continued)

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

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

Business combinations

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

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

於必要時，就附屬公司之財務報表進行調整以使彼等之會計政策與本集團之會計政策一致。

與本集團成員公司間之交易相關之所有集團內公司間資產及負債、權益、收入、費用及現金流量均於綜合時悉數抵銷。

業務合併

收購業務以收購法入賬。業務合併所轉讓代價以公平值計量，而公平值按本集團所轉讓資產、本集團對被收購方前擁有人所產生負債以及本集團就交換被收購方控制權所發行股本權益於收購日期之公平值總和計算。收購相關成本一般於產生時於損益內確認。

除若干確認豁免外，所購入可識別資產及所承擔負債必須符合《財務報表編製及列報框架》(由二零一零年十月發佈之《財務報告概念框架》取代)中之資產及負債定義。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Business combinations (continued)

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 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 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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

業務合併 (續)

於收購日期，所購入可識別資產及所承擔負債按其公平值確認，但以下各項除外：

- 遞延稅項資產或負債及有關僱員福利安排之資產或負債分別根據香港會計準則第12號及香港會計準則第19號 *僱員福利* 確認及計量；
- 與被收購方股份償付安排或為替代被收購方股份償付安排而訂立之本集團股份償付安排有關之負債或股本工具，於收購日期根據香港財務報告準則第2號計量（見下文會計政策）；
- 根據香港財務報告準則第5號 *持作出售非流動資產及已終止經營業務* 分類為持作出售之資產（或出售組合）按該準則計量；及

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

3.2 Significant accounting policies (continued)

Business combinations (continued)

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

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.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

業務合併 (續)

- 租賃負債按剩餘租賃付款（定義見香港財務報告準則第16號）之現值確認及計量，猶如收購之租賃於收購日期為新租賃，惟(a)租期於收購日期12個月內結束；或(b)相關資產為低價值之租賃除外。使用權資產按與相關租賃負債相同之金額確認及計量，並進行調整以反映與市場條件相比租賃之有利或不利條款。

商譽按所轉讓代價、於被收購方任何非控股權益之金額及收購方過往所持被收購方股本權益（如有）公平值總和超出所收購可識別資產及所承擔負債於收購日期之淨額計量。倘於重新評估後，所收購可識別資產及所承擔負債之淨額超出所轉讓代價、於被收購方任何非控股權益之金額及收購方過往所持被收購方權益（如有）公平值之總和，差額即時於損益確認為議價收購收益。



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

3.2 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).

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

商譽

收購業務所產生之商譽乃按於收購業務日期確立之成本(見上文會計政策)減累計減值虧損(如有)列賬。

就減值測試而言,商譽會分配至本集團預期將自合併獲得協同效益之各個現金產生單元(或現金產生單元組別),而該單元(或單元組別)即就內部管理目的而監察商譽之最低水平且不大於經營分部。

獲分配商譽的現金產生單元(或現金產生單元組別)會每年或於單位出現減值跡象時更頻繁地進行減值測試。就於報告期間進行收購產生之商譽而言,獲分配商譽之現金產生單元(或現金產生單元組別)會於報告期末前進行減值測試。倘可收回金額少於其賬面值,則減值虧損會首先分配以削減任何商譽之賬面值,並於其後按單元(或現金產生單元組別)內各資產的賬面值按比例分配至其他資產。

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

3.2 Significant accounting policies (continued)

Goodwill (continued)

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 and a joint venture is described below.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

商譽 (續)

於出售相關現金產生單元或現金產生單元組別內之任何現金產生單元時，會於釐定出售溢利或虧損金額時計及商譽之應佔金額。當本集團出售現金產生單元（或現金產生單元組別內之一個現金產生單元）內的業務時，所出售商譽金額按所出售業務（或現金產生單元）與所保留現金產生單元（或現金產生單元組別）部分之相對價值計量。

本集團有關收購聯營公司及合營公司所產生之商譽之政策於下文闡述。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3.2 Significant accounting policies (continued)

Investments in an associate and a joint venture

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

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

於聯營公司及合營公司之投資

聯營公司乃指本集團可對其施加重大影響力之實體。重大影響力為可參與被投資公司之財務及營運政策決定，而非控制或共同控制該等政策。

合營公司為一項合營安排，據此，擁有該安排之共同控制權之各方均有權享有合營安排之資產淨值。共同控制權乃按合約協定下共享控制權之安排，其僅在相關活動決策必須獲共享控制權之各方一致同意方存在。

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

3.2 Significant accounting policies (continued)

Investments in an associate and a joint venture (continued)

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture 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. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), 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 or joint venture.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

於聯營公司及合營公司之投資 (續)

聯營公司及合營公司的業績、資產及負債均以權益會計法計入該等綜合財務報表。根據權益法，於聯營公司或合營公司的投資初步按成本於綜合財務狀況表內確認，其後會作出調整，以確認本集團應佔該聯營公司或合營公司的損益及其他全面收益。除損益及其他全面收益外，聯營公司／合營公司的資產淨值變動不會入賬，除非該等變動導致本集團所持的所有權權益出現變動。當本集團應佔一間聯營公司或合營公司虧損超出本集團於該聯營公司或合營公司之權益時（包括任何實際上構成本集團於聯營公司或合營公司投資淨值其中部分之長遠權益），本集團會終止確認其應佔之進一步虧損。僅在本集團已招致法定或推定責任或代表該聯營公司或合營公司支付款項之情況下確認額外損失。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3.2 Significant accounting policies (continued)

Investments in an associate and a joint venture (continued)

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

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

於聯營公司及合營公司之投資 (續)

對聯營公司或合資公司之投資自被投資方成為一間聯營公司或合資公司之日起採用權益法入賬。於收購一間聯營公司或合資公司之投資時，投資成本超出本集團分佔被投資方可識別資產及負債淨公平值之任何部分乃確認為商譽，並計入投資之賬面值。本集團分佔可識別資產及負債之淨公平值超出經重新評估後之投資成本會即時於收購投資當期損益確認。

本集團會評估是否存在客觀證據證明於一間聯營公司或合營公司之權益將會減值。倘存在任何客觀證據，該項投資之全部賬面值（包括商譽）會根據香港會計準則第36號以單一資產之方式進行減值測試，方法是比較其可收回金額（即使用價值與公平值減出售成本之較高者）與賬面值。任何已確認減值虧損均不會分配至任何構成投資部分賬面值之資產（包括商譽）。該減值虧損之任何撥回根據香港會計準則第36號確認，惟受隨後增加的可收回投資金額規限。

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

3.2 Significant accounting policies (continued)

Investments in an associate and a joint venture (continued)

When the Group ceases to have significant influence over an associate or joint control over a joint venture, 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 or joint venture and the retained interest is a financial asset within the scope of HKFRS 9 *Financial Instruments*, 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 or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture 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 or joint venture.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

於聯營公司及合營公司之投資 (續)

當本集團不再對聯營公司有重大影響力或不再對合資公司有共同控制權時，將作為出售於該被投資方之全部權益入賬，由此產生之收益或虧損於損益中確認。當本集團於前聯營公司或合資公司保留權益，而該保留權益為香港財務報告準則第9號金融工具範圍內之財務資產，則本集團就該保留權益以當日之公平值計量，而該公平值被視為其於初始確認時之公平值。於釐定出售該聯營公司或合資公司之收益或虧損時，已計入該聯營公司或合資公司之賬面值與任何保留權益之公平值及出售於聯營公司或合資公司相關權益之任何所得款項之間的差額。此外，有關本集團就該聯營公司或合資公司過往於其他全面收益中確認之所有金額，本集團按該聯營公司或合資公司已直接出售相關資產及負債情況下的相同基準入賬。因此，該聯營公司或合資公司過往於其他全面收益中確認之收益或虧損，將於出售相關資產或負債時重新分類至損益，本集團會在出售／部分出售相關聯營公司或合資公司後將收益或虧損由權益重新分類至損益內（作為重新分類調整）。



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

3.2 Significant accounting policies (continued)

Investments in an associate and a joint venture (continued)

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

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

Revenue from contracts with customers

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

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

於聯營公司及合營公司之投資 (續)

當本集團削減於聯營公司或合營公司之所有權權益但繼續使用權益法時，倘以往於其他全面收益確認有關削減所有權權益之損益部分將於出售相關資產或負債時重新分類至損益，則本集團會將該盈虧重新分類至損益。

倘集團實體與本集團之聯營公司或合資公司進行交易，則與該聯營公司或合資公司進行交易所產生之溢利或虧損會於綜合財務報表內確認，惟以與本集團無關之聯營公司或合營公司之權益為限。

來自客戶合約之收益

本集團於完成履約責任時(或就此)確認收益，即於特定履約責任相關貨品或服務之「控制權」移交客戶時。

履約責任代表不同的商品和服務(或一組商品或服務)，或者是基本相同的一系列不同商品或服務。

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

3.2 Significant accounting policies (continued)

Revenue from contracts with customers (continued)

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

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

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

來自客戶合約之收益 (續)

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

- 客戶於本集團履約時同時取得並耗用本集團履約所提供之利益；
- 本集團之履約創建及增加客戶於本集團履約時控制之資產；或
- 本集團之履約並未產生對本集團有替代用途之資產，且本集團有強制執行權以收取迄今已履約部分之款項。

否則，收益於客戶獲得明確商品或服務的控制權時確認。



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

3.2 Significant accounting policies (continued)

Revenue from contracts with customers (continued)

- (a) Sale of aircraft engines and spare parts
- Revenue from the sale of aircraft engines and spare parts is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the aircraft engines and spare parts.
- (b) Provision of repair and maintenance services for aircraft engines
- Revenue from the provision of repair and maintenance services for aircraft engines is recognised over time in the period in which the services are rendered.

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

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

來自客戶合約之收益 (續)

- (a) 銷售飛機發動機及備件
- 來自銷售飛機發動機及備件的收益於資產的控制權轉移至客戶(一般按飛機發動機及備件的交付)的某時間點確認。
- (b) 提供飛機發動機維修保養服務
- 來自提供飛機發動機維修保養服務的收益於提供服務的期間隨時間確認。

隨時間確認收入：計量完全履行履約責任之進度

投入法

完全履行履約責任之進度乃根據投入法計量，即根據本集團履行履約責任所付出或投入(相對履行履約責任預期投入總額)確認收益，此方法最能描述本集團於貨品或服務控制權轉移之履約情況。

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

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

3.2 Significant accounting policies (continued)

Contract assets

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

Contract liabilities

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.

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.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

合約資產

合約資產指本集團就向客戶換取本集團已轉讓的貨品或服務收取代價的權利(尚未成為無條件)。其根據香港財務報告準則第9號評估減值。相反,應收款項指本集團收取代價的無條件權利,即只需待時間過去代價即須到期支付。

合約負債

合約負債指本集團因已自客戶收取代價(或代價應付),而須向客戶轉讓貨品或服務的責任。

與同一合約有關的合約資產及合約負債以淨額基準列賬。

租賃

租賃之定義

倘一份合約為換取代價而讓渡在一段時間內使用已識別資產之控制權,則該合約是一項租賃或包含一項租賃。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3.2 Significant accounting policies (continued)

Leases (continued)

Definition of a lease (continued)

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

The Group as a lessee

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of motor vehicles, machinery and equipment and 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.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

租賃 (續)

租賃之定義 (續)

就於香港財務報告準則第16號首次應用日期或之後訂立或修訂或由業務合併產生的合約而言，本集團根據香港財務報告準則第16號中之定義，於開始、修訂日期或收購日期評估合約是否為一項租賃或包含一項租賃。除非合約條款及條件其後改變，否則不得重新評估該合約。

本集團作為承租人

短期租賃及低價值資產租賃

本集團對於租期自開始日期起計12個月或以內且並無包含購買選擇權的汽車、機器和設備及辦公室物業租賃，應用短期租賃確認豁免。其亦對低價值資產租賃應用確認豁免。短期租賃及低價值資產租賃的租賃付款按直線法基準或另一有系統基準於租期內確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Right-of-use assets

The cost of right-of-use asset includes:

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

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

使用權資產

使用權資產的成本包括：

- 租賃負債的初步計量金額；
- 於開始日期或之前作出的任何租賃付款，減任何已收租賃優惠；
- 本集團產生的任何初始直接成本；及
- 本集團於拆除及搬遷相關資產、復原相關資產所在場地或將相關資產復原至租賃的條款及條件所規定狀況而產生的成本估計。

使用權資產乃按成本減任何累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Right-of-use assets (continued)

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

使用權資產 (續)

倘本集團可合理確定於租期結束時獲得使用權資產項下相關租用資產之擁有權，則使用權資產將自開始日期起至可使用年限結束為止計提折舊。否則，使用權資產按直線法基準於估計可使用年限與租期之間之較短者計提折舊。

本集團於綜合財務狀況表內將使用權資產呈列為單獨項目。

可退回租賃按金

已支付的可退回租賃按金乃根據香港財務報告準則第9號入賬並按公平值初步計量。於初步確認時之公平值調整視作額外租賃付款，並計入使用權資產之成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Lease liabilities

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.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

租賃負債

於租賃開始日期，本集團按當時尚未支付的租賃付款金額的現值確認並計量租賃負債。於計算租賃付款的現值時，倘租賃中隱含的利率難以釐定，則本集團於租賃開始日期使用增量借款利率。

租賃付款包括：

- 固定付款 (包括實質上是固定付款) 減任何應收租賃優惠；
- 取決於一項指數或比率之可變租賃付款，初步計量時使用開始日期的指數或利率；
- 本集團預期應支付的剩餘價值擔保金額；
- 本集團可合理確定將予行使的購買選擇權之行使價；及
- 倘租期反映本集團會行使租賃終止選擇權，則為終止租賃而支付之罰款。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

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

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) when 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 Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

租賃負債 (續)

於開始日期後，租賃負債就利息增量及租賃付款予以調整。

當租期發生變化或對行使購買選擇權的評估發生變化時本集團對租賃負債進行重新計量（並對相關使用權資產進行相應調整），在該情況下，使用於重新評估日修改後的折現率對經修訂的租賃付款額進行折現來重新計量相關的租賃負債。

本集團於綜合財務狀況表內將租賃負債呈列為單獨項目。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

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, less any lease incentives receivable, 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.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

租賃的修改

倘存在下列情形，則本集團將租賃的修改作為一項單獨的租賃進行入賬：

- 該項修改通過增加使用一項或多項相關資產的權利擴大了租賃範圍；及
- 調增租賃的代價，增加的金額相當於範圍擴大對應的單獨價格，加上按照特定合約的實際情況對單獨價格進行的任何適當調整。

對於不入賬為單獨租賃的租賃修改，本集團會使用修訂生效日期的經修訂折現率對經修訂租賃付款進行貼現，以根據經修訂租賃的租期重新計量租賃負債減任何應收租賃優惠。

本集團通過對相關使用權資產進行相應調整，以對租賃負債進行重新計量。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3.2 Significant accounting policies (continued)

Foreign currencies

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollars. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and income and expenses items are translated into Hong Kong dollars at the average exchange rates for the year.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

外幣

本集團旗下各實體自行決定其功能貨幣，而各實體財務報表內的項目均以該功能貨幣計量。本集團旗下實體的外幣交易初始按交易當日適用的功能貨幣匯率入賬。以外幣計值的貨幣資產及負債按報告期末適用的功能貨幣匯率換算。結算或換算貨幣項目產生之差額於其產生之期間於綜合損益表確認。

按歷史成本並以外幣計量的非貨幣項目不重新換算。按公平值並以外幣計量的非貨幣項目按釐定公平值當日的匯率換算。

若干海外附屬公司之功能貨幣乃港元以外之貨幣。於報告期末，該等實體之資產及負債乃以報告期末適用之匯率換算成港元，而收益及開支項目則按年內平均匯率換算成港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3.2 Significant accounting policies (continued)

Foreign currencies (continued)

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On 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.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the average exchange rates for the year.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

外幣 (續)

所產生之匯兌差額乃於其他全面收益中確認，並於匯兌波動儲備中累積。於出售海外業務（即出售本集團於該海外業務的全部權益，或涉及失去包括海外業務的附屬公司的控制權出售，或部分出售於包括海外業務的合營安排或聯營公司的權益（其保留權益成為財務資產））時，就本公司擁有人應佔的業務於權益累計的所有匯兌差額乃重新分類至損益。

因收購海外業務而產生的任何商譽及對因該收購產生的資產及負債賬面值的任何公平值調整，均被視為該海外業務的資產及負債，並以收市匯率換算。產生的匯兌差額於其他全面收益確認。

就綜合現金流量表而言，海外附屬公司之現金流量按有關之現金流量產生日期之匯率換算為港元。海外附屬公司於年內經常出現之現金流量則按該年度之平均匯率換算為港元。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Borrowing costs

All borrowing costs not eligible for capitalisation are recognised in profit or loss in the period in which they are incurred.

Government grants

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

Government grants 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. These government grants are presented under "other income".

Share-based payments

Equity-settled share-based payment transactions

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

借貸成本

所有不符合資本化條件的借貸成本均在其產生的期間內於損益中確認。

政府補助

除非合理保證本集團將遵守政府補助所附帶之條件並將收到補助，否則政府補助將不予確認。

作為已產生開支或虧損之補償或向本集團提供即時財務資助（並無日後相關成本）而應收與收入有關的政府補助，乃於其成為應收款項期間於損益中確認。該等政府補助在「其他收入」項下列報。

股份償付

股本結算股份支付交易

向僱員及其他提供類似服務人士作出的以股本支付股份形式付款乃按股本工具於授出日期的公平值計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Share-based payments (continued)

Equity-settled share-based payment transactions (continued)

The fair value of services received determined by reference to the fair value of share options or ordinary shares granted at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period or recognised as an expense in full at the grant date when the share options or ordinary shares granted vest immediately, with a corresponding increase in equity (share option reserve). The fair value of the ordinary shares granted shall be measured at the market price of the shares, and the fair value of the share options granted shall be estimated by applying an option pricing model.

At the end of the reporting period, the Group revises its estimates of the number of options or ordinary shares that are expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to share option reserve.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

股份償付 (續)

股本結算股份支付交易 (續)

參考已授出購股權或普通股於授出日期的公平值而釐定的所獲提供服務的公平值(並無計及所有非市場歸屬條件),乃於歸屬期間以直線法支銷,或倘所獲授的購股權或普通股即時歸屬,則於授出日期悉數確認為開支,並於權益(購股權儲備)中作出相應增加。已授出普通股的公平值按股份市價計量,而已授出購股權的公平值則採用期權定價模式估計。

於報告期末,本集團修訂其就根據對所有相關非市場歸屬條件的評估預期會歸屬的購股權或普通股數目的估計。於歸屬期間修訂最初估計的影響(如有)乃於損益確認以使累積開支反映經修訂估計,並對購股權儲備作出相應調整。



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

3.2 Significant accounting policies (continued)

Share-based payments (continued)

Equity-settled share-based payment transactions (continued)

When the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited or cancelled after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

When new ordinary shares are issued pursuant to the award scheme, the fair value of the ordinary shares granted that vest immediately or without lock-up period is recognised as an expense in full at the grant date with corresponding increase in equity (share option reserve). When the ordinary share awards are granted with lock-up period, which has same meaning as vesting period, the fair value of such amounts granted at the grant date is expensed on a straight-line basis over the lock-up period.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

股份償付 (續)

股本結算股份支付交易 (續)

在行使購股權時，過往於購股權儲備確認的金額將會轉撥至股份溢價中。當購股權於歸屬日後被沒收或被註銷或於到期日仍未行使時，過往於購股權儲備確認的金額將轉撥至留存溢利。

根據獎勵計劃發行新普通股時，所授出的普通股即時歸屬或並無附帶禁售期，則其公平值於授出日期悉數確認為開支，並於權益（購股權儲備）中作出相應增加。倘普通股獎勵於授出時附帶禁售期，即歸屬期間，則已授出的有關金額於授出日期的公平值於禁售期以直線法支銷。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)**3.2 Significant accounting policies (continued)*****Employee benefits*****Pension schemes**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit pension plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained profits and will not be reclassified to profit or loss.

3. 綜合財務報表之編製基準及重大會計政策 (續)**3.2 重大會計政策 (續)*****僱員福利*****退休金計劃**

向定額供款退休金福利計劃支付之款項乃於僱員已提供服務而令彼等享有供款時確認為開支。

就定額福利退休金計劃而言，提供福利的成本乃按照預計單位貸記法釐定，並於各年報期末進行精算估值。重新計量金額（包括精算損益、資產上限變動的影響（如適用）及計劃資產的回報（利息除外））即時於綜合財務狀況表內反映，而扣除或抵免於產生期間於其他全面收益確認。於其他全面收益內確認的重新計量金額將即時於留存溢利內反映，且不會重新分類至損益。



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

3.2 Significant accounting policies (continued)

Employee benefits (continued)

Pension schemes (continued)

Past service cost is recognised in profit or loss in the period of a plan amendment or curtailment and a gain or loss on settlement is recognised when settlement occurs. When determining past service cost, or a gain or loss on settlement, an entity shall remeasure the net defined benefit liability or asset using the current fair value of plan assets and current actuarial assumptions, reflecting the benefits offered under the plan and the plan assets before and after the plan amendment, curtailment or settlement, without considering the effect of asset ceiling (i.e. the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan).

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. However, if the Group remeasures the net defined benefit liability or asset before plan amendment, curtailment or settlement, the Group determines net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement and the discount rate used to remeasure such net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period resulting from contributions or benefit payments.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

僱員福利 (續)

退休金計劃 (續)

過往服務成本於計劃修訂或縮減期間於損益確認，而發生結算時確認結算收益或虧損。當釐定過往服務成本或結算收益或虧損時，實體應使用計劃資產當前公平值及當前主要精算假設重新計量定額福利負債或資產淨額，反映計劃下提供的福利及計劃修訂、縮減或結清前後的計劃資產，不考慮資產上限的影響（即該等計劃收回款項或該等計劃的未來供款減額形式的任何經濟利益的現值）。

淨利息以期初的折現率應用於定額福利負債或資產淨額計算。然而，倘本集團於計劃修訂、縮減或結清之前重新計量定額福利負債或資產淨額，本集團使用計劃下提供的福利及計劃修訂、縮減或結清後之計劃資產以及用作重新計量該等定額福利負債或資產淨額之折現率，並考慮定額福利負債或資產淨額於期內因供款或福利支出而導致之變動，以釐定報告期餘下時間經計劃修訂、縮減或結清後之淨利息。

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

3.2 Significant accounting policies (continued)

Employee benefits (continued)

Pension schemes (continued)

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit pension plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

僱員福利 (續)

退休金計劃 (續)

定額福利成本分類如下：

- 服務成本 (包括現時服務成本、過往服務成本及有關縮減及結清的收益及虧損)；
- 淨利息開支或收入；及
- 重新計量。

於綜合財務狀況表內確認的退休福利責任代表本集團定額福利退休金計劃實際虧絀或盈餘。由此計算產生的任何盈餘將僅限於以該等計劃收回款項或該等計劃的未來供款減額形式的任何經濟利益的現值。

僱員或第三方的酌情供款於向計劃支付該等供款時削減服務成本。



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

3.2 Significant accounting policies (continued)

Employee benefits (continued)

Pension schemes (continued)

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (for example contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability or asset.
- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the entity reduces service cost by attributing the contributions to periods of service using the attribution method required by HKAS 19 paragraph 70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the entity reduces service cost in the period in which the related service is rendered.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

僱員福利 (續)

退休金計劃 (續)

倘若計劃的正式條款訂明僱員或第三方將作出供款，則會計處理取決於供款是否與服務有關，如下：

- 倘若供款與服務無關（例如供款被要求以減少源自計劃資產虧損或精算虧損的虧絀），則供款於重新計量之定額福利負債或資產淨額中反映。
- 倘若供款與服務有關，則供款減少服務成本。就與服務年期相關的供款金額而言，實體可根據香港會計準則第19號第70段規定的供款方式就總福利將供款歸屬於服務期間從而減少服務成本。倘若供款金額與服務年期無關，則實體於提供有關服務期間減少服務成本。

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

3.2 Significant accounting policies (continued)

Employee benefits (continued)

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

Taxation

Income tax comprises current and deferred tax. 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.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

僱員福利 (續)

短期僱員福利

短期僱員福利按預期就僱員提供服務所支付的福利的未折現金額確認。所有短期僱員福利確認為支出，惟另一項香港財務報告準則規定或允許將其計入資產成本的情況則除外。

扣除任何已支付的金額後，就僱員應計福利（如工資及薪金以及年假）確認負債。

稅項

所得稅包括即期及遞延稅項。即期及遞延稅項於損益確認，惟在其與於其他全面收益或直接於權益內確認的項目有關的情況下，即期及遞延稅項亦會分別於其他全面收益或直接於權益內確認。

即期稅項資產及負債，乃根據於報告期末已頒佈或實質頒佈的稅率（及稅法），經計及本集團經營所在國家的現行詮釋及慣例，按預期自稅務機關收回或向其繳付的金額計算。



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

3.2 Significant accounting policies (continued)

Taxation (continued)

Deferred tax is provided, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and a joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

稅項 (續)

遞延稅項乃就於報告期末資產與負債之稅基及其用作財務報告之賬面值之間之所有臨時差額計提撥備。

所有應課稅臨時差額均確認為遞延稅項負債，惟以下情況例外：

- 在一項非業務合併之交易中初始確認商譽或資產或負債而產生之遞延稅項負債，而有關交易於當時對會計溢利或稅務盈虧並無影響；及
- 就於附屬公司、聯營公司及合營公司之投資之相關應課稅臨時差額而言，倘能控制有關臨時差額之回撥時間，而且於可見將來可能不會回撥臨時差額。

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

3.2 Significant accounting policies (continued)

Taxation (continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and a joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

稅項 (續)

遞延稅項資產乃就所有可抵扣臨時差額、及承前未動用稅項抵免及任何未動用稅項虧損予以確認，但僅限於可能取得應課稅溢利以供動用可抵扣臨時差額、承前未動用稅項抵免及未動用稅項虧損之部份，惟以下情況例外：

- 與在一項非企業合併之交易中初始確認資產或負債而產生之可抵扣臨時差額相關之遞延稅項資產，而有關交易於當時對會計溢利或稅務盈虧並無影響；及
- 就於附屬公司、聯營公司及合營公司之投資之相關可抵扣臨時差額而言，則僅限於臨時差額可於可見將來回撥，並有應課稅溢利以供動用臨時差額予以抵銷之部份，方會確認遞延稅項資產。



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

3.2 Significant accounting policies (continued)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值於各報告期末檢討，倘不再可能有足夠應課稅溢利以供動用所有或部份遞延稅項資產時，則遞延稅項資產將相應減少。未確認之遞延稅項資產則於各報告期末重新評估，倘可能有足夠應課稅溢利以抵銷全部或部份遞延稅項資產時，則予以確認。

遞延稅項資產及負債乃根據於報告期末已頒佈或實質頒佈之稅率(及稅法)，按預期變現有關資產或清償有關負債期間之適用稅率釐定。

為計量以公平值模型計量之投資物業所產生之遞延稅項，除非假設被推翻，否則有關物業之賬面值乃假設為可通過出售全數收回。倘投資物業可予折舊，並於旨在隨時間推移(而非透過出售)消耗投資物業絕大部分經濟利益之業務模式內持有，有關假設則會被推翻，惟永久業權土地(它總是被假定完全透過出售收回)除外。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)**3.2 Significant accounting policies (continued)****Taxation (continued)**

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

Deferred tax assets and deferred tax liabilities are offset if and only if there is a legally enforceable right to set off current tax assets and current tax liabilities and when the deferred tax assets and deferred tax liabilities relate to income taxes levied to the same taxable entity by the same taxation authority.

3. 綜合財務報表之編製基準及重大會計政策 (續)**3.2 重大會計政策 (續)****稅項 (續)**

就計量本集團確認使用權資產及相關租賃負債之租賃交易的遞延稅項而言，本集團首先釐定稅項減免是否歸屬於使用權資產或租賃負債。

就稅項扣減歸屬於租賃負債的租賃交易而言，本集團對使用權資產及租賃負債分別應用香港會計準則第12號規定。由於應用初始確認豁免，因此不確認在初始確認相關使用權資產及租賃負債的臨時差額。因重新計量租賃負債及租賃修訂導致對使用權資產及租賃負債的賬面值進行後續修訂而產生的不受初始確認豁免的臨時差額，於重新計量或修訂日期確認。

當且僅當擁有法定行使權可將即期稅項資產與即期稅項負債互相抵銷，且當遞延稅項資產與遞延稅項負債與同一稅務機關向同一應課稅實體所徵收之所得稅有關，則遞延稅項資產與遞延稅項負債可予互相抵銷。



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

3.2 Significant accounting policies (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than freehold lands and construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment losses.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

物業、廠房和設備及折舊

物業、廠房和設備(永久業權土地及在建工程除外)乃按成本減累計折舊及任何減值虧損入賬。物業、廠房和設備之項目之成本包括其購買價及任何使資產達致運作狀況及地點以供擬定用途之直接相關成本。永久業權土地並無折舊,並按成本減後續累計減值虧損計量。

物業、廠房和設備項目投入運作後所產生之費用(如維修保養費用)一般會在支出期間在綜合損益表中扣除。在符合確認準則的情況下,相關主要檢查的支出可按撥充資本計入作為重置之資產賬面值。倘物業、廠房和設備的重要部份需要不時重置,本集團將確認該部份為個別具有特定使用年限之資產並相應計提折舊。

倘物業、廠房和設備項目之組成部份有不同之可用年期,則該項目之成本按合理之基準分配至各組成部份,每個組成部份獨立計算折舊。剩餘價值、可用年期及折舊方法至少於每個財政年度末進行檢討及調整(如適用)。

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

3.2 Significant accounting policies (continued)

Property, plant and equipment and depreciation (continued)

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

物業、廠房和設備及折舊 (續)

在建工程指在建的樓宇，按成本減任何減值虧損列賬且不作折舊。成本包括使資產達到能夠按照管理層擬定的方式開展經營所必要的位置及條件而直接產生的任何成本，及就合資格資產而言，為資本化之借貸成本。在建工程於完成及準備使用時重新分類至合適類別物業、廠房和設備。該等資產按與其他物業資產相同的基準，在可用作其擬定用途時開始計算折舊。

當本集團就包括租賃土地及樓宇成分的物業擁有權益作出付款，全部代價按於首次確認時之相對公平值比例，於租賃土地及樓宇成分之間進行分配。倘相關付款分配能可靠計量時，租賃土地的權益於綜合財務狀況表以「使用權資產」呈列。當代價無法在相關租賃土地的非租賃樓宇成分及未分割權益之間可靠分配時，整項物業分類至物業、廠房和設備。



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

3.2 Significant accounting policies (continued)

Property, plant and equipment and depreciation (continued)

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land classified as right-of-use assets) at the date of transfer is recognised in other comprehensive income and accumulated in asset revaluation reserve. On the subsequent sale or retirement of the property, the relevant asset revaluation reserve will be transferred directly to retained profits.

Depreciation is recognised so as to write off the cost of assets, other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

物業、廠房和設備及折舊 (續)

倘物業因業主結束佔用而證實用途有變，由此成為投資物業，該項目於轉移日的賬面值與公平值之間的任何差額（包括分類為使用權資產的相關租賃土地）於其他全面收益確認並於資產重估儲備累計。於物業後續出售或棄用時，相關的資產重估儲備將直接轉入留存溢利。

折舊乃以直線法撇銷資產成本（在建工程除外）減剩餘價值於估計可使用年限內確認。估計可使用年限、剩餘價值及折舊方法於各報告期末檢討，而任何估計變動之影響按預先計提基準列賬。

物業、廠房和設備項目（包括初始確認之任何重要部份）將在被出售，或預計其使用或出售不再產生未來經濟利益時終止確認。出售或棄用所產生之任何利潤或虧損於資產終止確認當年在綜合損益表中確認，其金額為出售有關資產所得款項淨額與賬面值之差額。

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3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)**3.2 Significant accounting policies (continued)*****Investment property***

Investment property is property held to earn rental and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the end of the reporting period.

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

Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated statement of profit or loss in the year of the retirement or disposal.

3. 綜合財務報表之編製基準及重大會計政策 (續)**3.2 重大會計政策 (續)*****投資物業***

投資物業為就賺取租金及／或資本增值而持有之物業，而非用作生產或供應貨物或服務或用作行政用途、或就於日常業務進行銷售而持有之土地及樓宇權益。有關物業初始按成本（包括交易成本）計量。於初始確認後，投資物業按於報告期末反映市況之公平值列賬。

投資物業公平值變動所產生之利潤或虧損，於其產生年度計入綜合損益表內。

棄用或出售投資物業之任何利潤或虧損，於棄用或出售年度在綜合損益表確認。



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

3.2 Significant accounting policies (continued)

Intangible assets (other than goodwill)

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.

Internally-generated intangible assets

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

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

無形資產 (商譽除外)

獨立收購的無形資產

單獨收購的有限使用年限之無形資產，按成本減累計攤銷及累計減值虧損入賬。有限使用年限的無形資產攤銷於估計可使用年限按直線法確認。估計可使用年限及攤銷方法於各報告期末予以檢討，任何估計變動的影響按預期基準入賬。單獨收購的不確定使用年限之無形資產，按成本減隨後累計減值虧損入賬。

內部產生無形資產

研究活動支出在其產生的期間內確認為一項開支。

當且僅當所有下列事項已獲證實時，由開發活動（或內部項目之開發階段）產生之內部產生無形資產方予以確認：

- 能完成無形資產以供使用或出售的技術可行性；
- 有完成無形資產並使用或出售的打算；

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

3.2 Significant accounting policies (continued)

Intangible assets (other than goodwill) (continued)

Internally-generated intangible assets (continued)

- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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 listed above. 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. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

無形資產 (商譽除外) (續)

內部產生無形資產 (續)

- 使用或出售無形資產的能力；
- 無形資產將來產生可能經濟利益的方式；
- 可動用適當技術、財務及其他資源完成開發及使用或出售該無形資產；及
- 於開發階段可靠地計量無形資產應佔開支的能力。

就內部產生的無形資產而初步確認之金額指從無形資產首次符合上文所列之確認標準日期起所產生之開支總金額。倘概無內部產生無形資產可予確認，開發支出將於其產生期間在損益中確認。初步確認之後，內部產生的無形資產乃按成本減累計攤銷及累計減值虧損 (如有)，並按與單獨收購之無形資產相同之基準報告。



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

3.2 Significant accounting policies (continued)

Intangible assets (other than goodwill) (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 reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

無形資產 (商譽除外) (續)

於業務合併收購的無形資產

於業務合併收購的無形資產與商譽分開確認，且按其於收購日期的公平值（視作其成本）初步確認。

於初步確認後，於業務合併收購並具備有限使用年限的無形資產按成本減累計攤銷及任何累計減值虧損呈報，基準與獨立收購的無形資產相同。在業務合併中收購的不確定使用年限的無形資產按成本減任何其後的累計減值虧損列賬。

無形資產在被處置或當使用或處置預期不會再產生未來經濟利益時，對其進行終止確認。終止確認無形資產所產生的利潤及虧損（按資產出售所得款項淨額與資產賬面值之間的差額計算）於該資產終止確認時於損益確認。

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

3.2 Significant accounting policies (continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

物業、廠房和設備、使用權資產及無形資產 (商譽除外) 減值

於報告期末，本集團會檢討可使用年限有限之物業、廠房和設備、使用權資產及無形資產賬面值，以釐定該等資產是否出現任何減值虧損跡象。倘存在任何該等跡象，則會估計相關資產的可收回金額以釐定減值虧損 (如有) 金額。尚未可供使用的無形資產每年及於出現可能減值的跡象時進行減值測試。

物業、廠房和設備、使用權資產及無形資產之可收回金額個別作出估計，當無法個別估計可收回金額，則本集團會估計該資產所屬現金產生單元之可收回金額。



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

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

3.2 Significant accounting policies (continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (continued)

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

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

物業、廠房和設備、使用權資產及無形資產(商譽除外)減值(續)

於測試現金產生單元的減值時，倘可設立合理及一致之分配基準，則公司資產將分配至相關現金產生單元，或分配至現金產生單元內可設立合理及一致分配基準之最小組別。可收回金額乃按公司資產所屬現金產生單元或現金產生單元組別釐定，並與相關現金產生單元或現金產生單元組別之賬面值比較。

可收回金額為公平值減出售成本與使用價值兩者中之較高者。評估使用價值時，估計未來現金流量採用除稅前折現率貼現至其現值，而該除稅前折現率反映金錢時間價值的現行市場評估及未來現金流量估計未經調整的資產(或現金產生單元)的特定風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3.2 Significant accounting policies (continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (continued)

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

物業、廠房和設備、使用權資產及無形資產 (商譽除外) 減值 (續)

倘估計資產 (或現金產生單元) 之可收回金額低於其賬面值, 則資產 (或現金產生單元) 之賬面值將減至其可收回金額。就未能按合理及一致的基準分配至現金產生單元之公司資產或部分公司資產而言, 本集團會比較一組現金產生單元之賬面值 (包括已分配至該組現金產生單元的公司資產或部分公司資產) 與該組現金產生單元之可收回金額。於分配減值虧損時, 減值虧損首先分配至削減任何商譽 (如適用) 的賬面值, 然後根據各資產於單元或一組現金產生單元的賬面值按比例分配至其他資產。資產之賬面值不會削減至低於其公平值減出售成本 (如可計量)、其使用價值 (如可釐定) 及零三者間的最高者。可能另行分配至資產的減值虧損金額按比例分配至單元或一組現金產生單元的其他資產。減值虧損即時於損益確認。



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

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

3.2 Significant accounting policies (continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (continued)

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

物業、廠房和設備、使用權資產及無形資產(商譽除外) 減值(續)

倘減值虧損其後撥回，則資產（或現金產生單元或一組現金產生單元）之賬面值增至其經修訂之估計可收回金額，惟所增加之賬面值不得超過該資產（或現金產生單元或一組現金產生單元）於過往年度倘並無確認減值虧損而釐定之賬面值。減值虧損撥回即時於損益確認。

存貨

存貨乃按成本及可變現淨值兩者中之較低者呈列。存貨成本按先進先出法釐定，且就在製品及製成品而言，包括直接材料、直接勞工及適當比例的經常費用。可變現淨值則根據估計售價減任何完成及作出銷售估計所需成本計算。進行銷售所需的成本包括直接歸屬於銷售的增量成本和本集團為進行銷售而必須產生的非增量成本。

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)**3.2 Significant accounting policies (continued)****Provisions**

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the consolidated statement of profit or loss.

The Group provides for warranties in relation to the sale of certain products for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate.

3. 綜合財務報表之編製基準及重大會計政策 (續)**3.2 重大會計政策 (續)****撥備**

當因過往事件而產生即期債務（法定或推定）並可能須於日後撥出資源以償還該債務時，倘能可靠估計有關債務金額，則須就此確認撥備。

倘折現影響重大，則按預期須於未來就該債務所作之開支於報告期末之現值來確認撥備。隨著時間過去而增加的折現現值於綜合損益表內列為財務開支。

就銷售若干產品，於保養期內出現的缺陷提供一般維修，本集團計提保修撥備。本集團授予的該等保證型保修撥備，乃根據銷量以及過往維修及退貨水平之經驗來確認，並適當折現至其現值。



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

3.2 Significant accounting policies (continued)

Provisions (continued)

Product claim provision is made when there are present expected claims which challenge the safety of the products. The Group has general liability and other insurance policies to cover product claims. Initial recognition is based on historical experience. The initial estimate of product claim costs is revised annually based on current year's development of present expected claims.

Financial instruments

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

撥備 (續)

倘當前存在對產品安全性提出質疑的預期索賠，則計提產品索賠撥備。本集團已就該等產品索賠投購綜合責任險及其他保險。初始確認乃基於過往經驗。產品索賠成本的初始估計根據本年度當前預期索賠的發展情況每年進行修訂。

金融工具

當集團實體成為工具合約條款的一方時，會確認財務資產及財務負債。所有的常規購買或出售財務資產乃按交易日基準確認及終止確認。常規購買或出售指於市場規則或慣例所設定的時間框架內進行資產交付之財務資產購買或出售。

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

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

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

金融工具 (續)

財務資產及財務負債首次按公平值計量，惟根據香港財務報告準則第15號初步計量的與客戶合約產生的應收貿易賬款除外。收購或發行財務資產及財務負債（按公平值計入損益（「按公平值計入損益」）的財務資產或財務負債除外）直接應佔之交易成本於初步確認時加入財務資產或財務負債之公平值或從中扣除（如適用）。直接歸屬於按公平值計入損益的財務資產或財務負債的收購之交易成本即時計入損益。

實際利率法乃計算財務資產或財務負債之攤銷成本及分配相關期間利息收入之方法。實際利率乃按財務資產及財務負債預計年期或適用之較短期間將估計為現金收款及付款（包括實際利率重要組成部分之已付或已收全部費用及差價、交易成本及其他溢價或折讓）實際貼現至初步確認之賬面淨值之利率。



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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets

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

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

All other financial assets of the Group are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is not held for trading.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

金融工具 (續)

財務資產

財務資產的分類及後續計量

符合下列條件的財務資產其後按攤銷成本計量：

- 以收取合約現金流量為目的之業務模式下持有之財務資產；及
- 合約條款於指定日期產生之現金流量僅為支付本金及未償還之本金利息（「僅為支付本金及利息」）。

本集團所有其他財務資產其後按公平值計入損益計量，惟本集團可於初始確認財務資產日期不可撤回地選擇於其他全面收益呈列並非持作買賣的股本投資的公平值其後變動。

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

A financial asset is held-for-trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

金融工具 (續)

財務資產 (續)

財務資產的分類及後續計量 (續)

倘符合以下條件，財務資產將分類為持作買賣：

- 收購該財務資產的主要目的為於短期內出售；或
- 於初步確認時，該財務資產為本集團共同管理的已識別金融工具組合的一部分，而其近期有短期獲利的實際模式；或
- 該財務資產並非指定為對沖工具及有效作對沖工具的衍生工具。



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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

金融工具 (續)

財務資產 (續)

財務資產的分類及後續計量 (續)

- (i) 攤銷成本及利息收入
其後按攤銷成本計量的財務資產的利息收入乃使用實際利息法確認。利息收入乃對財務資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的財務資產除外（見下文）。對於其後出現信貸減值的財務資產，自下一個報告期起利息收入乃對財務資產攤銷成本應用實際利率確認。若信貸減值金融工具的信貸風險好轉，使財務資產不再信貸減值，在確認資產不再信貸減值後的報告期起，利息收入乃對財務資產賬面總值應用實際利率確認。

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

- (ii) Equity instruments designated as at fair value through other comprehensive income ("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 OCI and accumulated in the revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established in accordance with HKFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

金融工具 (續)

財務資產 (續)

財務資產的分類及後續計量 (續)

- (ii) 指定為按公平值計入其他全面收益(「按公平值計入其他全面收益」)的股本工具

按公平值計入其他全面收益的股本工具投資初始按公平值加交易成本計量，其後按公平值計量，並於其他全面收益確認及於重估儲備累計公平值變動所產生收益及虧損；且毋須進行減值評估。出售股本投資的累計收益或虧損將不會重新分類至損益，而將轉撥至留存溢利。

當本集團根據香港財務報告準則第9號確立收取股息的權利時，該等股本工具投資的股息於損益中確認，除非股息明確代表收回部分投資成本則作別論。股息計入損益內「其他收入」行項目。



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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(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 includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

金融工具 (續)

財務資產 (續)

財務資產的分類及後續計量 (續)

(iii) 按公平值計入損益的財務資產

不符合按攤銷成本或按公平值計入其他全面收益或指定為按公平值計入其他全面收益計量準則的財務資產按公平值計入損益計量。

按公平值計入損益的財務資產於各報告期末按公平值計量，並於損益確認任何公平值收益或虧損。於損益確認的收益或虧損淨額包括就財務資產賺取的任何股息或利息，並計入「其他利潤及虧損」行項目下。

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including loans to an associate, loans to a joint venture, trade receivables, other receivables, amounts due from fellow subsidiaries, bank deposits and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

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.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

金融工具 (續)

財務資產 (續)

須根據香港財務報告準則第9號進行減值評估之財務資產減值

本集團就根據香港財務報告準則第9號須進行減值評估的財務資產(包括向聯營公司提供的貸款、向合營公司提供的貸款、應收貿易賬款、其他應收賬款、應收同系附屬公司款項、銀行存款及銀行結存)根據預期信貸虧損(「預期信貸虧損」)模型進行減值評估。預期信貸虧損數額於各報告日期更新,以反映自初始確認以來的信貸風險變動。

全期預期信貸虧損指將於有關工具的預期可使用年限內因所有可能違約事件而產生的預期信貸虧損。相反,12個月預期信貸虧損(「12個月預期信貸虧損」)指預期因報告日期後12個月內可能發生的違約事件而產生的全期預期信貸虧損的其中部分。

評估乃根據本集團過往信貸虧損經驗作出,並根據債務人特定因素、整體經濟狀況及對於報告日期的當前狀況及未來狀況預測的評估作出調整。

本集團一直就應收貿易賬款確認全期預期信貸虧損。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

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, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

金融工具 (續)

財務資產 (續)

須根據香港財務報告準則第9號進行減值評估之財務資產減值 (續)

就所有其他工具而言，本集團計量相等於12個月預期信貸虧損的虧損撥備，除非信貸風險自初始確認以來一直大幅增加，則本集團確認全期預期信貸虧損。評估應否確認全期預期信貸虧損乃視乎自初始確認以來發生違約的可能或風險是否大幅增加。

- (i) 信貸風險大幅增加
評估信貸風險是否自初始確認以來大幅增加時，本集團比較於報告日期金融工具發生違約的風險與於初始確認日期金融工具發生違約的風險。作出該評估時，本集團考慮合理有據的定量及定性資料，包括過往經驗及毋須付出過度成本或付出獲得的前瞻資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(i) Significant increase in credit risk (continued)
In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

金融工具 (續)

財務資產 (續)

須根據香港財務報告準則第9號進行減值評估之財務資產減值 (續)

(i) 信貸風險大幅增加 (續)
具體而言，評估信貸風險是否大幅增加時考慮下列資料：

- 金融工具的外部（如適用）或內部信貸評級實際或預期嚴重轉差；
- 信貸風險的外部市場指標嚴重轉差，例如應收賬款的信貸息差、信貸違約掉期價格大幅增加；
- 業務、財務或經濟狀況的現存或預計不利變動預期導致債務人履行其債務責任的能力大幅下降；
- 債務人的經營業績實際或預期嚴重轉差；



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

- (i) Significant increase in credit risk (continued)
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

金融工具 (續)

財務資產 (續)

須根據香港財務報告準則第9號進行減值評估之財務資產減值 (續)

- (i) 信貸風險大幅增加 (續)
- 債務人的監管、經濟或技術環境實際或預期出現重大不利變動而導致債務人履行其債務責任的能力大幅下降。

無論上述評估的結果為何，當合約付款逾期超過30天時，本集團假設信貸風險自初始確認以來已大幅增加，除非本集團有合理有據的資料證明並非如此則另當別論。

本集團定期監察所用標準的有效性，以識別信貸風險是否大幅增加，並對標準作出適當修訂，以確保標準能夠在款項逾期前識別信貸風險大幅增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

- (ii) Definition of default
For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

金融工具 (續)

財務資產 (續)

須根據香港財務報告準則第9號進行減值評估之財務資產減值 (續)

- (ii) 違約定義
就內部信貸風險管理而言，當內部制定或從外部來源獲得的資料顯示債務人不大可能向其債權人（包括本集團）全額還款時，本集團視之為發生違約事件。

不論上述情況，本集團認為當財務資產逾期超過90天時，即屬發生違約，除非本集團有合理及可支持的資料證明較寬鬆的違約標準更為適用則另當別論。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

- (iii) Credit-impaired financial assets
- A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
- (a) significant financial difficulty of the issuer or the borrower;
 - (b) a breach of contract, such as a default or past due event;
 - (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
 - (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

金融工具 (續)

財務資產 (續)

須根據香港財務報告準則第9號進行減值評估之財務資產減值 (續)

- (iii) 信貸減值財務資產
- 財務資產在發生一項或以上對該財務資產的估計未來現金流量構成不利影響的事件時出現信貸減值。財務資產出現信貸減值的證據包括有關下列事件的可觀察數據：
- (a) 發行人或借款人遭遇重大財政困難；
 - (b) 違反合約（如違約或逾期事件）；
 - (c) 借款人的貸款人因涉及借款人財政困難的經濟或合約理由而向借款人批出貸款人本不會考慮的優惠；或
 - (d) 借款人將可能陷入破產或其他財務重組。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)**3.2 Significant accounting policies (continued)****Financial instruments (continued)**

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(iv) Write-off policy

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

3. 綜合財務報表之編製基準及重大會計政策 (續)**3.2 重大會計政策 (續)****金融工具 (續)**

財務資產 (續)

須根據香港財務報告準則第9號進行減值評估之財務資產減值 (續)

(iv) 撤銷政策

當有資料顯示交易對方處於嚴重財政困難及並無實際收回跡象(例如交易對方已在清盤或已陷入破產程序)時,本集團會撤銷財務資產。經考慮法律意見後(如合適),已撤銷的財務資產可能仍須按本集團收回程序強制處理。撤銷構成取消確認事項。任何其後收回在損益中確認。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9
(continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. Trade receivables with significant balances/ credit-impaired are assessed for ECL individually. For other trade receivables, the Group uses a practical expedient in estimating ECL using a provision matrix taking into consideration historical credit loss experience, and forward looking information that is available without undue cost or effort.

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

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

金融工具 (續)

財務資產 (續)

須根據香港財務報告準則第9號進行減值評估之財務資產減值
(續)

(v) 計量及確認預期信貸虧損

計量預期信貸虧損為違約概率、違約損失率(即倘發生違約的損失程度)及違約風險的函數。違約概率及違約損失率的評估根據歷史數據及前瞻性資料作出。預期信貸虧損的估計反映以發生相關違約風險的金額作為加權數值而確定的公允概率加權金額。存在重大結餘／信貸減值的應收貿易賬款須個別評估預期信貸虧損。至於其他應收貿易賬款，本集團採用可行權宜之法，利用撥備矩陣估計預期信貸虧損，當中計及過往信貸虧損經驗及毋須付出不必要成本或努力即可獲得的前瞻性資料。

一般而言，預期信貸虧損為根據合約應付本集團的所有合約現金流量與本集團預期收取的現金流量之間的差額，並按初始確認時釐定的實際利率折現。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(v) Measurement and recognition of ECL (continued)

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information. For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

金融工具 (續)

財務資產 (續)

須根據香港財務報告準則第9號進行減值評估之財務資產減值 (續)

(v) 計量及確認預期信貸虧損 (續)

應收貿易賬款的全期預期信貸虧損是基於逾期資料及相關信貸資料的綜合基礎上考慮，例如前瞻性宏觀經濟信息。為了進行集體評估，本集團在製定分組時考慮了以下特徵：

- 金融工具的外部（如有）或內部信用評級的實際或預期顯著惡化；
- 逾期狀態；
- 債務人的性質、規模及行業；及
- 可用的外部信用評級。

分組工作經管理層定期檢討，以確保各組別成份繼續具備類似信貸風險特性。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9
(continued)

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and other receivables where the corresponding adjustment is recognised through a loss allowance account.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

金融工具 (續)

財務資產 (續)

須根據香港財務報告準則第9號進行減值評估之財務資產減值
(續)

利息收入按財務資產的總賬面值計算，惟倘財務資產信貸減值，則該情況下利息收入按財務資產的攤銷成本計算。

本集團於損益中確認所有金融工具的減值收益或虧損，方式為調整相關賬面值，惟應收貿易賬款及其他應收賬款除外，其相應調整透過虧損撥備賬確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received 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 upon application of HKFRS 9, the cumulative gain or loss previously accumulated in the revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

金融工具 (續)

財務資產 (續)

終止確認財務資產

僅當從資產收取現金流量的合約權利到期，或本集團轉讓財務資產並將其於資產所有權的絕大部分風險及回報轉移至另一實體，方終止確認財務資產。

於終止確認按攤銷成本計量的財務資產時，資產賬面值與已收代價的差額於損益中確認。

於終止確認本集團應用香港財務報告準則第9號時選擇於初步確認時按公平值計入其他全面收益計量的股本工具投資時，先前於重估儲備中累計的累積收益或虧損不會重新分類至損益，惟會轉撥至留存溢利。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities at amortised cost

The Group's financial liabilities including trade and other payables, amounts due to intermediate holding companies and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

金融工具 (續)

財務負債及權益

分類為債務或權益

債務及股本工具按合約安排實質，以及財務負債及股本工具的定義而分類為財務負債或權益。

股本工具

股本工具為證明本集團資產剩餘權益（經扣除其所有負債）的任何合約。由本公司發行的股本工具按收取的所得款項扣除直接發行成本入賬。

本公司購回自有股本工具直接於權益確認及扣除。本公司不會就購買、出售、發行或註銷自有股本工具於損益確認任何盈虧。

按攤銷成本列賬的財務負債

本集團的財務負債包括貿易及其他應付賬款、應付中間控股公司款項及銀行借貸，其後採用實際利率法按攤銷成本計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

3.2 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 or payable is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract are entered into and are subsequently remeasured to their fair values at the end of the reporting period. Derivative liabilities are included in the line item "other financial liabilities". The resulting gain or loss is recognised in profit or loss.

3. 綜合財務報表之編製基準及重大會計政策 (續)

3.2 重大會計政策 (續)

金融工具 (續)

財務負債及權益 (續)

終止確認財務負債

當且僅當本集團的責任獲解除、取消或到期時，本集團方終止確認財務負債。終止確認的財務負債賬面值與已付或應付代價的差額乃於損益中確認。

衍生金融工具

衍生工具初步按於訂立衍生合約當日的公平值確認，其後重新以其於報告期末的公平值計量。衍生負債計入「其他財務負債」行項目。所產生的收益或虧損於損益確認。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4. 關鍵會計判斷及估計不確定因素之主要來源

編製本集團的綜合財務報表時，管理層須就其他來源不明顯的資產及負債的賬面值作出判斷、估計及假設。估計及相關假設根據過往經驗及被認為相關之其他因素作出。實際結果或與該等估計不符。

有關估計及相關假設須不斷檢討。若修訂只影響該修訂期間，會計估計的修訂於該修訂期間內確認；或如該修訂影響本期及未來期間，則於修訂期間及未來期間確認。

應用會計政策時的關鍵判斷

除涉及估計（見下文）外，以下為本公司董事在應用本集團會計政策的過程中作出對綜合財務報表確認的金額有最重大影響的關鍵判斷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)**Critical judgements in applying accounting policies (continued)*****Deferred taxation on investment property***

For the purposes of measuring deferred tax arising from investment property that are measured using the fair value model, the directors of the Company have reviewed the investment property and concluded that the Group's investment property is not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time. Therefore, in determining the deferred taxation on investment property, the directors of the Company have determined that the presumption that the carrying amounts of investment property measured using the fair value model is recovered entirely through sale is not rebutted. The Group has not recognised any deferred tax on changes in fair value of investment property as the Group is not subject to any income taxes on the fair value changes of the investment property on disposal.

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.

4. 關鍵會計判斷及估計不確定因素之主要來源 (續)**應用會計政策時的關鍵判斷 (續)*****投資物業的遞延稅項***

就計量使用公平值模式計量的投資物業所產生的遞延稅項而言，本公司董事已檢討投資物業並斷定本集團投資物業並非以旨在隨著時間流逝消耗該等投資物業包含之絕大部分經濟利益之商業模式持有。因此，在釐定投資物業的遞延稅項時，本公司董事認為，以公平值模式計量的投資物業之賬面值可因出售而收回的假設成立。本集團並未就投資物業的公平值變動確認任何遞延稅項，原因是本集團毋須就出售投資物業的公平值變動繳納任何所得稅。

估計不確定因素

以下為報告期末有關未來的主要假設及估計不確定因素的其他主要來源，該等假設及不確定因素可能具有導致下一財政年度資產及負債賬面值出現重大調整的重大風險。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

Estimation uncertainty (continued)

Impairment loss under ECL on trade receivables

The Group uses both provision matrix and individual assessment to determine ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. Trade receivables with significant balances are assessed for ECL individually.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 23 to the consolidated financial statements.

4. 關鍵會計判斷及估計不確定因素之主要來源 (續)

估計不確定因素 (續)

應收貿易賬款於預期信貸虧損下的減值虧損

本集團使用撥備矩陣及個別評估釐定應收貿易賬款的預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分部組別的逾期日數釐定。具有重大結餘的貿易應收賬款就預期信貸虧損進行個別評估。

撥備矩陣初始基於本集團的可觀察歷史違約率。本集團按前瞻性資料調整過往信貸虧損經驗來調節矩陣。例如，倘預測經濟狀況（如國內生產總值）預期將在來年惡化，可能導致製造業違約數量增加，則歷史違約率作出調整。在各報告日期，可觀察歷史違約率會被更新，並分析前瞻性估計的變化。

預期信貸虧損的金額易受環境和預測經濟狀況的變動影響。本集團的過往信貸虧損經驗和對經濟狀況的預測也未必可代表客戶的未來實際違約。有關本集團應收貿易賬款的預期信貸虧損的資料披露於綜合財務報表附註 23。

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)**Estimation uncertainty (continued)*****Estimated impairment loss of other intangible assets, property, plant and equipment and right-of-use assets***

Other intangible assets, property, plant and equipment and right-of-use assets are stated at costs less accumulated amortisation, accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the management has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs, including allocation of corporate assets (if any) when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash-generating units, for which the relevant corporate assets (if any) have been allocated. Changing the assumptions and estimates, including the future cash flows or discount rates, could materially affect the recoverable amounts.

During the year ended 31 December 2021, an impairment loss of HK\$6,428,000 (2020: HK\$85,274,000) was recognised on other intangible assets which are impaired individually. Details are set out in note 17 to the consolidated financial statements.

4. 關鍵會計判斷及估計不確定因素之主要來源 (續)**估計不確定因素 (續)*****其他無形資產、物業、廠房和設備以及使用權資產之估計減值虧損***

其他無形資產、物業、廠房和設備以及使用權資產乃按成本減累計攤銷、累計折舊及減值(如有)列賬。於釐定資產是否減值時，管理層須作出判斷及估計，特別是於評估(1)是否發生事件或有任何跡象而可能影響資產價值；(2)資產之賬面值是否得到可收回金額(就使用價值而言，未來現金流量之現值淨額，基於資產之持續使用而估計)支持；及(3)於估計可收回金額時包括現金流量預測及適當的折現率時應用之適當主要假設。當無法估計單項資產之可收回金額時，本集團會估計資產所屬之現金產生單元的可收回金額，包括於可建立合理一致的分配基準時分配企業資產(如有)，否則可收回金額按已分配相關企業資產(如有)之最小現金產生單元組別釐定。有關假設及估計之變動(包括未來現金流量或折現率)可嚴重影響可收回金額。

於截至二零二一年十二月三十一日止年度，個別減值的其他無形資產已確認減值虧損6,428,000港元(二零二零年：85,274,000港元)。詳情載於綜合財務報表附註17。



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

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

Estimation uncertainty (continued)

Estimated impairment loss of other intangible assets, property, plant and equipment and right-of-use assets (continued)

As at 31 December 2021, the carrying amounts of other intangible assets, property, plant and equipment and right-of-use assets subject to impairment assessment were HK\$1,564,078,000 (2020: HK\$1,657,066,000), HK\$458,727,000 (2020: HK\$481,329,000) and HK\$289,033,000 (2020: HK\$301,528,000), respectively. Details of the impairment assessment of the relevant cash-generating units are disclosed in note 16 to the consolidated financial statements.

Fair value of investment property

Investment property is stated at fair value based on the valuation performed by an independent professional valuer. 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 any market violation, policy, geopolitical and social changes or other unexpected incidents as a result of change in macroeconomic environment, or other unexpected incidents would result in changes in the fair values of the Group's investment property and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss.

4. 關鍵會計判斷及估計不確定因素之主要來源 (續)

估計不確定因素 (續)

其他無形資產、物業、廠房和設備以及使用權資產之估計減值虧損 (續)

於二零二一年十二月三十一日，其他無形資產、物業、廠房和設備以及使用權資產之賬面值（須進行減值評估）分別為1,564,078,000港元（二零二零年：1,657,066,000港元）、458,727,000港元（二零二零年：481,329,000港元）及289,033,000港元（二零二零年：301,528,000港元）。有關現金產生單元相關減值評估之詳情於綜合財務報表附註16披露。

投資物業公平值

投資物業基於由獨立專業估值師進行之估值按公平值入賬。釐定公平值涉及若干市況之假設，載於綜合財務報表附註15。

本公司董事依賴估值報告時已作出判斷，並信納估值方法反映當前市況。該等假設之變動，包括任何市場違規的潛在風險，宏觀經濟環境變化導致的政策、地緣政治及社會變化或其他突發事件，均將導致本集團投資物業的公平值變動，並對綜合損益表呈報之利潤或虧損金額作出相應調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

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

Estimation uncertainty (continued)

Fair value of investment property (continued)

As at 31 December 2021, the carrying amount of the Group's investment property is HK\$123,800,000 (2020: HK\$128,200,000).

5. REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES

An analysis of revenue, other income, other gains and losses is as follows:

4. 關鍵會計判斷及估計不確定因素之主要來源 (續)

估計不確定因素 (續)

投資物業公平值 (續)

於二零二一年十二月三十一日，本集團投資物業之賬面值為123,800,000港元(二零二零年：128,200,000港元)。

5. 收益、其他收入、其他利潤及虧損

收益、其他收入、其他利潤及虧損分析如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Revenue from contracts with customers	來自客戶合約之收益		
Sale of aircraft engines transferred at a point in time	於某時間點轉移之飛機發動機之銷售	707,931	701,154
Sale of spare parts transferred at a point in time	於某時間點轉移之備件之銷售	580,191	451,753
Rendering of services transferred over time	隨時間轉移之服務之提供	128,287	93,902
		1,416,409	1,246,809



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

5. REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES (continued)

Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of aircraft engines and spare parts

The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 days from delivery.

Provision of repair and maintenance services for aircraft engines

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from completion of the services and customer acceptance.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) for provision of repair and maintenance services for aircraft engines as at 31 December are as follows:

5. 收益、其他收入、其他利潤及虧損 (續)

履約責任

本集團履約責任資料概述如下：

銷售飛機發動機及備件

履約責任於交付產品後完成，且付款通常應於交付起30天內到期。

提供飛機發動機維修保養服務

履約責任隨提供服務時間達成，且付款通常應在完成服務及客戶驗收後30天內到期。

於十二月三十一日就提供飛機發動機維修保養服務分配至餘下履約責任(未達成或部份未達成)的交易價格金額如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Amounts expected to be recognised as revenue:	預期將確認的收益金額：		
Within one year	一年內	8,139	8,192
After one year	一年後	29,253	28,935
		37,392	37,127

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

5. REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES (continued)

Performance obligations (continued)

Provision of repair and maintenance services for aircraft engines (continued)

The amounts of transaction prices allocated to the remaining performance obligations disclosed above relate to repair and maintenance services for aircraft engines, of which the performance obligations are to be satisfied within five years. The amounts disclosed above do not include variable consideration which is constrained. All the amounts of transaction prices allocated to the remaining performance obligations for sale of aircraft engines and spare parts are expected to be recognised as revenue within one year.

5. 收益、其他收入、其他利潤及虧損 (續)

履約責任 (續)

提供飛機發動機維修保養服務 (續)

上文所披露的交易價格金額涉及將於五年內達成的飛機發動機維修保養服務之餘下履約責任。上述金額不包括受限制可變代價。所有就銷售飛機發動機及備件分配至餘下履約責任的交易價格金額預期將於一年內確認為收益。

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Other income	其他收入		
Bank borrowings forgiven (note)	銀行借貸豁免 (附註)	57,559	–
Bank interest income	銀行利息收入	3,586	8,394
Distributorship fee income	分銷費收入	775	775
Interest income on loans to an associate	向聯營公司提供的貸款之 利息收入	448	550
Interest income on loans to a joint venture	向合營公司提供的貸款之 利息收入	285	–
Service fee income	服務費收入	–	8,525
Others	其他	697	4,400
		63,350	22,644

Note: During the year ended 31 December 2021, as part of the US federal government's PPP to support entities to continue paying salary to their workers, the Group's bank borrowings with a carrying amount of HK\$57,559,000 were forgiven as the Group had fulfilled the conditions as required by the US federal government which includes, amongst other things, maintaining employees and compensation at required levels.

附註：截至二零二一年十二月三十一日止年度，因本集團達到美國聯邦政府要求的條件（這其中包括維持所規定水平的僱員及薪酬），故作為美國聯邦政府關於支援實體繼續支付員工工資的薪資保障計劃的一部分，本集團賬面值57,559,000港元的銀行借貸獲得豁免。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

5. REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES (continued) 5. 收益、其他收入、其他利潤及虧損 (續)

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Other gains and losses	其他利潤及虧損		
Gain on deemed disposal of an associate	視作出售聯營公司之利潤	11,790	767
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(7,866)	(58)
Fair value gain (loss) on other financial liabilities (note 38)	其他財務負債之公平值利潤 (虧損) (附註38)	12,525	(47,897)
Fair value loss on an investment property (note 15)	投資物業之公平值虧損 (附註15)	(4,400)	(23,300)
Foreign exchange differences, net	外匯兌換差額淨額	(10,083)	19,225
		1,966	(51,263)
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Impairment losses under expected credit loss model, net of reversal:	預期信貸虧損模型下之減值虧損減撥回之淨額：		
– trade receivables	– 應收貿易賬款	(426)	(5,510)
– other receivables	– 其他應收賬款	2,931	16,066
– a loan to a joint venture	– 向合營公司提供的貸款	1,832	–
		4,337	10,556

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

6. OPERATING SEGMENT

Information reported to the chief executive officer of the Group, the chief operating decision makers (“CODM”) for the purpose of resource allocation and assessment of segment performance focuses on type of goods or services. The Group has only one reportable operating segment, the general aviation aircraft piston engine business, which is engaged in the design, development and production of general aviation aircraft piston engines and spare parts as well as the provision of aftermarket services and support for piston engines.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment loss before tax, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group’s loss before tax except that certain income, gains and losses, administrative expenses and share of results of an associate are excluded from such measurement.

The CODM make decisions according to operating results of the segment. No analysis of segment asset and segment liability is presented as the CODM do not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

6. 經營分部

為分配資源及評估分部表現而向本集團行政總裁即主要經營決策者（「主要經營決策者」）報告的資料側重於貨品或服務的類型。本集團僅有一個可報告的經營分部，即通用航空飛機活塞發動機業務，從事通用航空飛機活塞發動機及備件的設計、開發及生產，以及提供活塞發動機的售後服務及支援。

管理層會分開監察本集團業務分部之業績，以決定如何分配資源及評估表現。分部表現乃根據經調整除稅前虧損而計量之須呈報分部除稅前虧損來作出評估。經調整除稅前虧損之計量方法與本集團除稅前虧損一致，惟若干收入、利潤及虧損、行政管理費用、以及分佔聯營公司之業績則不包括於該計量中。

主要經營決策者根據分部的經營業績作出決策。由於主要經營決策者並非定期審閱分部資產及分部負債來決定如何分配資源及評估表現，故並無呈列該等資料之分析。因此，僅呈列分部收益及分部業績。



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6. OPERATING SEGMENT (continued)

The following is an analysis of the Group's revenue and results by reportable operating segment for the year ended 31 December.

6. 經營分部 (續)

以下為截至十二月三十一日止年度本集團收益及業績按須呈報之經營分部作出之分析。

		General aviation aircraft piston engine business 通用航空飛機活塞發動機業務		Total 合計	
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Segment revenue:	分部收益：				
Sales to external customers	對外部客戶銷售	1,416,409	1,246,809	1,416,409	1,246,809
Segment results	分部業績	(23,403)	(801,551)	(23,403)	(801,551)
Unallocated other income	未分配其他收入			4,260	9,294
Unallocated other gains and losses	未分配其他利潤及虧損			14,080	563
Unallocated administrative expenses	未分配行政管理費用			(15,597)	(15,645)
Share of results of an associate	分佔聯營公司業績			(4,130)	(1,191)
Loss before tax	除稅前虧損			(24,790)	(808,530)
Other segment information:	其他分部資料：				
Depreciation of property, plant and equipment	物業、廠房和設備之折舊	45,985	60,106	45,985	60,106
Unallocated depreciation	未分配折舊			30	25
				46,015	60,131
Depreciation of right-of-use assets	使用權資產之折舊	15,834	16,380	15,834	16,380
Amortisation of other intangible assets	其他無形資產之攤銷	87,094	88,009	87,094	88,009
Capital expenditure*	資本開支*	68,587	162,081	68,587	162,081
Unallocated capital expenditure	未分配資本開支			33	13
				68,620	162,094

* Capital expenditure consists of additions to property, plant and equipment and other intangible assets.

* 資本開支包括添置物業、廠房和設備及其他無形資產。

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6. OPERATING SEGMENT (continued)

Geographical information

(a) Revenue from external customers

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
USA	美國	1,111,230	948,125
Europe	歐洲	188,490	191,076
Others	其他	116,689	107,608
		1,416,409	1,246,809

The revenue information above is based on the location of the customers.

上述收益資料乃按有關客戶之所在地劃分。

(b) Non-current assets

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
USA	美國	1,785,853	1,865,104
Europe	歐洲	540,024	589,598
Hong Kong	香港	123,849	128,246
Mainland China	中國內地	20,446	12,131
		2,470,172	2,595,079

The non-current asset information above is based on the locations of the assets and excludes financial assets and deferred tax assets.

上述非流動資產資料乃按資產之所在地劃分，並不包括財務資產及遞延稅項資產。

6. 經營分部 (續)

地區資料

(a) 來自外部客戶收益

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
USA	美國	1,111,230	948,125
Europe	歐洲	188,490	191,076
Others	其他	116,689	107,608
		1,416,409	1,246,809

上述收益資料乃按有關客戶之所在地劃分。

(b) 非流動資產

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
USA	美國	1,785,853	1,865,104
Europe	歐洲	540,024	589,598
Hong Kong	香港	123,849	128,246
Mainland China	中國內地	20,446	12,131
		2,470,172	2,595,079

上述非流動資產資料乃按資產之所在地劃分，並不包括財務資產及遞延稅項資產。



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6. OPERATING SEGMENT (continued)

Information about major customers

Revenue from each of the major customers, which individually amounted to 10% or more of the Group's revenue, is set out below:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Customer A	客戶A	454,569	320,549
Customer B	客戶B	230,114	165,965
Customer C	客戶C	210,587	242,137

6. 經營分部 (續)

主要客戶之資料

來自各主要客戶之收益載列如下，彼等各佔本集團收益之10%或以上：

7. FINANCE COSTS

An analysis of finance costs is as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Interest on bank borrowings	銀行借貸之利息	159	4,216
Interest on lease liabilities	租賃負債之利息	14,268	14,500
Other interest expenses	其他利息支出	133	35
		14,560	18,751

7. 財務開支

財務開支分析如下：

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8. INCOME TAX EXPENSE (CREDIT)

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong during both years. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

8. 所得稅開支(抵免)

於該兩個年度，由於本集團並無任何源於香港之應課稅溢利，故並無作出香港利得稅撥備。其他地區應課稅溢利之稅項開支按本集團經營所在國家／管轄區域當時之稅率計算。

		2021	2020
		二零二一年	二零二零年
		HK\$'000	HK\$'000
		千港元	千港元
Current – Hong Kong:	即期－香港：		
Underprovision in prior years	過往年度之撥備不足	–	99
Current – Elsewhere:	即期－其他地區：		
Charge for the year	本年開支	10,386	4,493
Under(over) provision in prior years	過往年度之撥備不足 (過多撥備)	3,258	(968)
Deferred tax (<i>note 36</i>)	遞延稅項 (<i>附註36</i>)	17,538	(55,416)
		31,182	(51,792)



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8. INCOME TAX EXPENSE (CREDIT)

(continued)

A reconciliation of the tax expense (credit) applicable to loss before tax at the statutory rates for the countries/ jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense (credit) at the effective rate for the year is as follows:

8. 所得稅開支(抵免) (續)

按本公司及其主要附屬公司所在國家／管轄區域之法定稅率計算適用於除稅前虧損的稅項開支(抵免)與本年按實際稅率之稅項開支(抵免)之對賬如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Loss before tax	除稅前虧損	(24,790)	(808,530)
Tax at the statutory tax rates of respective entities	按各實體法定稅率計算之稅項	(3,930)	(215,925)
Tax effect of share of results of an associate	分佔聯營公司業績之稅務影響	1,032	106
Effect of withholding tax on interest income from the USA	預扣稅對來自美國的利息收入的影響	7,040	4,371
Under(over) provision in respect of prior years	過往年度之撥備不足(過多撥備)	3,258	(869)
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(22,571)	(3,744)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	7,851	3,935
Tax effect of deductible temporary differences not recognised or reversal of deductible temporary differences previously recognised	未確認可扣稅臨時差額或撥回先前確認的可扣稅臨時差額之稅務影響	16,032	106,348
Tax effect on tax losses not recognised or reversal of tax losses previously recognised	未確認稅務虧損或撥回先前確認的稅務虧損之稅務影響	22,470	53,986
Income tax expense (credit) for the year	本年所得稅開支(抵免)	31,182	(51,792)

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9. LOSS FOR THE YEAR

The Group's loss for the year has been arrived at after charging:

9. 本年虧損

本集團本年虧損已扣除：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Cost of inventories sold*	銷售存貨之成本*	984,370	942,894
Cost of services provided*	提供服務之成本*	75,433	83,438
Write-down of inventories*	存貨減值*	8,197	38,278
Provisions:	撥備：		
Additional provision (note 32)**	額外撥備 (附註32)**	76,906	94,445
Depreciation of property, plant and equipment (note 13)	物業、廠房及設備之折舊 (附註13)	46,015	60,131
Depreciation of right-of-use assets (note 14)	使用權資產之折舊 (附註14)	15,834	16,380
Amortisation of other intangible assets (note 17)	其他無形資產之攤銷 (附註17)	87,094	88,009
Employee benefit expense (including directors' remuneration)	僱員福利費用 (包括董事酬金)		
Wages and salaries	工資及薪金	208,768	233,668
Retirement benefits and contributions***	退休福利及供款***	16,177	14,303
Defined benefit schemes (note 37)	定額福利計劃 (附註37)	3,369	3,201
		228,314	251,172
Auditor's remuneration	核數師酬金	3,745	3,295



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9. LOSS FOR THE YEAR (continued)

- * Included in "cost of sales and services" in the consolidated statement of profit or loss.
- ** On 18 December 2020, the Group's subsidiary, Continental Aerospace Technologies GmbH ("CG") released a Service Bulletin to replace certain of its products due to safety concerns. The total estimated cost of HK\$51,003,000, which was for the disassembly of the engines, transportation to CG, replacement of affected parts at CG, and reassembly of the engines and testing, was charged to the profit and loss in the prior year and included in provisions. During the year ended 31 December 2021, the total estimated cost of HK\$40,539,000 was for a legal case which relates to product liabilities and included in product claim provision. The legal case has been finalised and settled during the year.
- *** Retirement benefits and contributions of the Group include the Mandatory Provident Fund Scheme in Hong Kong, the state-managed retirement benefits scheme in the PRC, and the social security expenditure in Germany.

At 31 December 2021, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2020: Nil).

9. 本年虧損 (續)

- * 包括在綜合損益表中「銷售及服務成本」內。
- ** 於二零二零年十二月十八日，本集團之附屬公司Continental Aerospace Technologies GmbH (「CG」) 出於安全考慮發出服務公告，以更換若干產品。估計費用總額為51,003,000港元，乃為拆卸引擎、運輸至CG、於CG更換受影響零件、重新組裝引擎及測試，於去年從損益扣除並計入撥備。於截至二零二一年十二月三十一日止年度，估計總成本40,539,000港元為與產品責任有關的法律案件，並計入產品索賠撥備。該法律案件已於年內審結及解決。
- *** 本集團之退休福利及供款包括香港之強積金計劃、中國之國家退休福利計劃及德國之社會保障支出。

於二零二一年十二月三十一日，本集團並無任何已沒收供款可用作減少未來年度之退休金計劃供款(二零二零年：無)。

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10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the requirements of the Listing Rules and the Hong Kong Companies Ordinance is as follows:

10. 董事及行政總裁之酬金

根據上市規則及香港公司條例之規定披露之年內董事酬金如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Fees	袍金	1,300	1,300
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	3,547	3,356
Retirement benefits scheme and contributions	退休福利計劃及供款	174	101
		3,721	3,457
		5,021	4,757

(a) Independent Non-executive Directors

The fees paid to independent non-executive directors during the year were as follows:

(a) 獨立非執行董事

於年內支付予獨立非執行董事之袍金如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Chu Yu Lin, David	朱幼麟	360	360
Li Ka Fai, David	李家暉	360	360
Zhang Ping	張平	280	280
		1,000	1,000



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10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(a) Independent Non-executive Directors (continued)

There were no other emoluments payable to the independent non-executive directors during the year (2020: Nil).

The emoluments disclosed were for their services as directors of the Company.

(b) Executive Directors and Non-executive Director

10. 董事及行政總裁之酬金 (續)

(a) 獨立非執行董事 (續)

於年內並無其他應付予獨立非執行董事的酬金 (二零二零年：無)。

所披露的酬金為彼等作為本公司董事所提供的服務。

(b) 執行董事及非執行董事

		Salaries, allowances and benefits in kind 薪金、津貼及實物利益	Retirement benefits scheme contributions 退休金福利計劃供款	Total remuneration 酬金總額
	Fees 袍金	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2021 二零二一年				
Executive Directors:	執行董事：			
Lai Weixuan	賴偉宣	36	-	36
Huang Yongfeng (appointed on 25 January 2021)	黃勇峰 (於二零二一年一月二十五日獲委任)	33	-	33
Fu Fangxing (resigned on 25 January 2021)	傅方興 (於二零二一年一月二十五日辭任)	3	-	3
Jiao Yan (appointed on 30 August 2021)	焦燕 (於二零二一年八月三十日獲委任)	12	-	12
Yu Xiaodong	于曉東	36	2,037	2,229
Zhang Zhibiao (resigned on 30 August 2021)	張志標 (於二零二一年八月三十日辭任)	24	-	24
Zhao Yang	趙揚	36	1,510	1,564
		180	3,547	3,901
Non-executive Director:	非執行董事：			
Chow Wai Kam	周偉淦	120	-	120
		300	3,547	4,021

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10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive Directors and Non-executive Director (continued)

2020 二零二零年	Fees 袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及 實物利益 HK\$'000 千港元	Retirement benefits scheme contributions 退休金福利 計劃供款 HK\$'000 千港元	Total remuneration 酬金總額 HK\$'000 千港元
Executive Directors: 執行董事：				
Lai Weixuan 賴偉宣	36	–	–	36
Fu Fangxing 傅方興	36	–	–	36
Yu Xiaodong 于曉東	36	1,847	83	1,966
Zhang Zhibiao 張志標	36	–	–	36
Zhao Yang 趙揚	36	1,509	18	1,563
	180	3,356	101	3,637
Non-executive Director: 非執行董事：				
Chow Wai Kam 周偉淦	120	–	–	120
	300	3,356	101	3,757

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The non-executive director's emolument shown above was for his services as director of the Company and the Group.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2020: Nil).

上表所示的執行董事酬金為彼等就管理本公司及本集團事務所提供的服務。

上表所示的非執行董事酬金為彼作為本公司及本集團董事所提供的服務。

年內概無任何董事放棄或同意放棄任何酬金之安排(二零二零年：無)。



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11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included one (2020: Nil) director, details of whose remuneration is set out in note 10 above. Details of the remuneration for the year of the four (2020: five) highest paid employees who are not a director of the Company are as follows:

11. 五名最高薪僱員

年內本集團五名最高薪僱員包括一名(二零二零年：無)董事，其酬金詳情載於上文附註10。本年四名(二零二零年：五名)最高薪僱員(並非本公司董事)之酬金詳情如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Basic salaries, allowances and benefits in kind	基本薪金、津貼及實物利益	8,133	13,749
Performance related bonuses	工作表現相關花紅	2,900	950
		11,033	14,699

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

酬金在下列範圍之最高薪非董事僱員人數：

		Number of employees 僱員人數	
		2021 二零二一年	2020 二零二零年
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至 2,000,000港元	1	-
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至 2,500,000港元	1	2
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至 3,000,000港元	1	2
HK\$4,000,001 to HK\$4,500,000	4,000,001港元至 4,500,000港元	1	1
		4	5

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12. LOSS PER SHARE

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the year.

The calculation of basic loss per share is based on:

12. 每股虧損

每股基本虧損金額乃根據母公司普通股權益持有人應佔本年虧損及年內已發行普通股之加權平均數計算。

每股基本虧損的計算乃根據：

		2021	2020
		二零二一年	二零二零年
		HK\$'000	HK\$'000
		千港元	千港元
Loss attributable to ordinary equity holders of the parent	母公司普通權益持有人應佔虧損	(55,972)	(756,738)
			Number of shares
			股份數目
			2021 and 2020
			二零二一年及二零二零年
Weighted average number of ordinary shares in issue during the year	年內已發行普通股之加權平均數		9,303,374,783

No diluted loss per share for both 2021 and 2020 were presented as there were no potential ordinary shares in issue for both 2021 and 2020.

由於二零二一年及二零二零年均無潛在普通股已發行，因此二零二一年及二零二零年均無列報每股攤薄虧損。



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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房和設備

		Freehold Lands 永久業權土地 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃裝修 HK\$'000 千港元	Furniture and fixtures 傢私及裝置 HK\$'000 千港元	Machinery and equipment 機器和設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 合計 HK\$'000 千港元
COST	成本								
At 1 January 2020	於二零二零年一月一日	10,337	28,119	62,821	3,204	239,336	1,618	179,606	525,041
Additions	添置	-	-	-	13	1,675	-	124,781	126,469
Transfers	轉撥	-	-	3,158	-	59,390	-	(62,548)	-
Disposals	出售	(1,599)	-	-	(548)	(2,445)	-	-	(4,592)
Exchange realignment	匯兌調整	1,125	2,449	-	-	10,734	-	95	14,403
At 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及 二零二一年一月一日	9,863	30,568	65,979	2,669	308,690	1,618	241,934	661,321
Additions	添置	-	-	-	33	3,140	-	40,202	43,375
Transfers	轉撥	-	-	2,400	-	86,225	-	(88,887)	(262)
Disposals	出售	-	-	(27)	-	(28,034)	-	(489)	(28,550)
Exchange realignment	匯兌調整	(505)	(1,805)	-	-	(7,649)	-	(66)	(10,025)
At 31 December 2021	於二零二一年十二月三十一日	9,358	28,763	68,352	2,702	362,372	1,618	192,694	665,859
ACCUMULATED DEPRECIATION AND IMPAIRMENT	累積折舊及減值								
At 1 January 2020	於二零二零年一月一日	-	857	8,494	3,147	100,045	1,618	-	114,161
Charge for the year (note 9)	本年開支 (附註9)	-	2,061	7,148	25	50,897	-	-	60,131
Disposals	出售	-	-	-	(548)	(2,105)	-	-	(2,653)
Exchange realignment	匯兌調整	-	430	-	-	7,923	-	-	8,353
At 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及 二零二一年一月一日	-	3,348	15,642	2,624	156,760	1,618	-	179,992
Charge for the year (note 9)	本年開支 (附註9)	-	1,198	7,213	30	37,574	-	-	46,015
Disposals	出售	-	-	(27)	-	(17,830)	-	-	(17,857)
Impairment loss recognised in profit or loss	於損益確認減值虧損	-	-	-	-	5,528	-	-	5,528
Exchange realignment	匯兌調整	-	(466)	-	-	(6,080)	-	-	(6,546)
At 31 December 2021	於二零二一年十二月三十一日	-	4,080	22,828	2,654	175,952	1,618	-	207,132
NET CARRYING AMOUNT	賬面淨值								
At 31 December 2021	於二零二一年十二月三十一日	9,358	24,683	45,524	48	186,420	-	192,694	458,727
At 31 December 2020	於二零二零年十二月三十一日	9,863	27,220	50,337	45	151,930	-	241,934	481,329

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13. PROPERTY, PLANT AND EQUIPMENT

(continued)

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

Buildings	3% – 31/3%
Leasehold improvements	Over the lease terms
Furniture and fixtures	20% – 33%
Machinery and equipment	4% – 50%
Motor vehicles	20% – 25%

During the year, impairment loss was recognised to certain property plant and equipment with carrying value of HK\$5,528,000 (2020: Nil) due to termination of certain production plans of the Group.

13. 物業、廠房和設備 (續)

除永久業權土地及在建工程外，上述物業、廠房和設備項目在考慮剩餘價值後，按以下年率以直線法計提折舊：

樓宇	3%-31/3%
租賃裝修	租期
傢私及裝置	20%-33%
機器和設備	4%-50%
汽車	20%-25%

年內，因本集團若干生產計劃終止，若干物業、廠房及設備確認減值虧損，其賬面值為5,528,000港元（二零二零年：無）。

14. RIGHT-OF-USE ASSETS

14. 使用權資產

		Leasehold Land 租賃土地 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
As at 1 January 2020	於二零二零年一月一日	8,174	308,995	519	317,688
New leases	新租賃	-	-	202	202
Depreciation charge (note 9)	折舊開支 (附註9)	(127)	(15,745)	(508)	(16,380)
Exchange realignment	匯兌調整	-	-	18	18
As at 31 December 2020 and 1 January 2021	於二零二零年 十二月三十一日及 二零二一年一月一日	8,047	293,250	231	301,528
New leases	新租賃	-	2,256	1,131	3,387
Depreciation charge (note 9)	折舊開支 (附註9)	(127)	(15,353)	(354)	(15,834)
Exchange realignment	匯兌調整	-	-	(48)	(48)
As at 31 December 2021	於二零二一年 十二月三十一日	7,920	280,153	960	289,033



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14. RIGHT-OF-USE ASSETS (continued)

For both years, the Group leases leasehold land, buildings, motor vehicles for its operations. Lease contracts are entered into for fixed term of 1 year to 75 years, but may have extension and termination options as described below. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for motor vehicles, machinery and equipment and office premises. As at 31 December 2021 and 2020, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed below.

Right-of-use assets are depreciated on a straight-line basis over the lease terms of the assets as follows:

Leasehold land	Over the lease term of 50 to 75 years
Buildings	2 to 25 years
Motor vehicles	2 to 5 years

14. 使用權資產 (續)

於兩個年度，本集團均租賃租賃土地、樓宇、汽車作營運之用。租賃合約的固定期限為1年至75年，但可按下文所述擁有延續及終止選擇權。租賃條款按個別基準磋商，載有不同條款及條件。於確定租賃條款並評估不可撤銷年期長短時，本集團應用合約的定義並判斷合約可強制執行的期限。

本集團通常為汽車、機械和設備以及辦公物業訂立短期租賃。於二零二一年及二零二零年十二月三十一日，短期租賃組合與下文所披露之短期租賃費用的短期租賃組合相若。

使用權資產於資產之租賃期以直線法進行折舊如下：

租賃土地	50至75年的租期
樓宇	2至25年
汽車	2至5年

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14. RIGHT-OF-USE ASSETS (continued)

The amounts recognised in profit or loss in relation to leases are as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Interest on lease liabilities	租賃負債利息	14,268	14,500
Depreciation charge of right-of-use assets	使用權資產之折舊開支	15,834	16,380
Expense relating to short-term leases	與短期租賃有關的費用	1,244	3,956
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	與低價值資產租賃有關的費用，不包括低價值資產短期租賃	927	1,683
Total amount recognised in profit or loss	損益中確認之總金額	32,273	36,519

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within operating activities	經營活動內	(16,439)	(20,139)
Within financing activities	融資活動內	(7,217)	(5,934)
		(23,656)	(26,073)

The Group estimates the recoverable amounts of each cash-generating unit ("CGU") to which the right-of-use assets belong, when it is not possible to estimate the recoverable amount of these assets individually. The recoverable amounts of the CGUs have been determined based on a value-in-use calculation, details of which including key assumptions underlying the value-in-use calculation are set out in the note 16.

14. 使用權資產 (續)

於損益中確認的租賃相關金額如下：

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Interest on lease liabilities	14,268	14,500
Depreciation charge of right-of-use assets	15,834	16,380
Expense relating to short-term leases	1,244	3,956
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	927	1,683
Total amount recognised in profit or loss	32,273	36,519

計入綜合現金流量表的租賃現金流出總額如下：

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within operating activities	(16,439)	(20,139)
Within financing activities	(7,217)	(5,934)
	(23,656)	(26,073)

當無法個別估計使用權資產的可收回金額時，本集團估計該等資產分別所屬現金產生單元（「現金產生單元」）的可收回金額。現金產生單元的可收回金額根據使用價值計算釐定，有關詳情（包括使用價值計算涉及的主要假設）載於附註16。



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15. INVESTMENT PROPERTY

15. 投資物業

		2021 二零二一年 <i>HK\$'000</i> 千港元	2020 二零二零年 <i>HK\$'000</i> 千港元
Carrying amount at 1 January	於一月一日之賬面值	128,200	151,500
Decrease in fair value	公平值減少	(4,400)	(23,300)
Carrying amount at 31 December	於十二月三十一日之賬面值	123,800	128,200

The Group's investment property consisted of a commercial property in Hong Kong. The Group's investment property was revalued based on valuation performed by LCH (Asia-Pacific) Surveyors Limited, an independent professionally qualified valuer. Each year, the Group's chief financial officer appoints an external valuer to be responsible for the valuation of the Group's investment property. Selection criteria include market knowledge, reputation, independence and qualification of external valuer.

The fair value is within level 3 of the fair value hierarchy.

During both years, there were no transfers into or out of Level 3.

本集團的投資物業包括香港的商用物業。本集團的投資物業根據由利駿行測量師有限公司（獨立專業合資格估值師）進行的估值重估。每年，本集團之財務總監委任外部估值師負責對本集團投資物業進行估值。甄選標準包括市場知識、聲譽、獨立性及外部估值師的資格。

公平值於公平值等級第三級內。

於兩個年度內，概無轉入或轉出第三級。

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15. INVESTMENT PROPERTY (continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment property as at 31 December 2021:

15. 投資物業 (續)

以下為於二零二一年十二月三十一日投資物業估值所用的估值方法及主要輸入數據之概要：

Investment property 投資物業	Valuation technique 估值技術	Key input 主要輸入數據	Significant unobservable inputs 重大不可觀察輸入數據
Commercial property	Market comparison approach	Adjusted unit price	HK\$25,063 – HK\$35,579 (31 December 2020: HK\$29,321 – HK\$38,024) per square foot
商用物業	市場比較法	經調整單價	每平方英尺 25,063港元 至35,579港元 (二零二零年十二月三十一日：29,321港元至38,024港元)

Under the market comparison approach, the property is valued on the market basis assuming sales in its existing state with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant markets. Comparison is based on prices realised in actual transactions or asking prices of comparable properties. Appropriate adjustments are then made to account for the differences between such properties in terms of age, floor level and other relevant factors.

A significant increase (decrease) in the adjusted unit price would result in a significant increase (decrease) in the fair value of the investment property.

根據市場比較法，物業按市場基準進行估值，當中假設以現況交吉出售，並參照相關市場可獲得之可比較銷售憑證。比較乃基於實際交易中之實際價格或可比較物業之叫價。之後，就該等物業之樓齡、樓層高低及其他相關因素之差異作出適當調整。

經調整單價大幅增加(減少)將導致投資物業的公平值大幅增加(減少)。



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16. GOODWILL

The Group's goodwill acquired through business combination has been allocated to the following CGUs for impairment testing:

- General aviation aircraft piston engine business in USA CGU ("USA CGU"); and
- General aviation aircraft piston engine business in Germany CGU ("Germany CGU")

Management performed the impairment assessment of USA CGU and Germany CGU with the support of an independent professional valuer, Duff & Phelps, LLC.

As at 31 December 2021, the carrying amount of goodwill allocated to USA CGU was Nil (2020: Nil). During the year ended 31 December 2020, the Group recognised impairment loss to fully write off the goodwill related to the USA CGU of HK\$385,770,000, which was mainly due to the deteriorated economic environment as a result of the outbreak of the COVID-19 pandemic.

As at 31 December 2021, the carrying amount of goodwill allocated to Germany CGU was HK\$14,163,000 (2020: HK\$14,927,000). During the year ended 31 December 2021, the directors of the Company determines that there is no impairment on Germany CGU.

16. 商譽

本集團透過業務合併取得之商譽已分配予下列現金產生單元以進行減值測試：

- 通用航空飛機活塞發動機業務於美國的現金產生單元（「美國現金產生單元」）；及
- 通用航空飛機活塞發動機業務於德國的現金產生單元（「德國現金產生單元」）

在獨立專業估值師Duff & Phelps, LLC的協助下，管理層對美國現金產生單元及德國現金產生單元進行減值評估。

於二零二一年十二月三十一日，分配至美國現金產生單元的商譽的賬面值為零（二零二零年：零）。截至二零二零年十二月三十一日止年度，本集團確認減值虧損以全額撇銷與美國現金產生單元相關的商譽385,770,000港元，主要是由於COVID-19疫情爆發導致經濟環境惡化。

於二零二一年十二月三十一日，分配予德國現金產生單元的商譽賬面值是14,163,000港元（二零二零年：14,927,000港元）。於截至二零二一年十二月三十一日止年度內，本公司董事釐定德國現金產生單元沒有減值。

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16. GOODWILL (continued)

16. 商譽 (續)

		USA CGU 美國現金 產生單元 HK\$'000 千港元	Germany CGU 德國現金 產生單元 HK\$'000 千港元	Total 合計 HK\$'000 千港元
COST	成本			
At 1 January 2020	於二零二零年一月一日	385,770	14,051	399,821
Exchange realignment	匯兌調整	-	876	876
At 31 December 2020	於二零二零年 十二月三十一日	385,770	14,927	400,697
Exchange realignment	匯兌調整	-	(764)	(764)
At 31 December 2021	於二零二一年 十二月三十一日	385,770	14,163	399,933
IMPAIRMENT	減值			
At 1 January 2020	於二零二零年一月一日	-	-	-
Impairment loss recognised in the year	本年確認減值虧損	(385,770)	-	(385,770)
At 31 December 2020 and 31 December 2021	於二零二零年 十二月三十一日及 二零二一年 十二月三十一日	(385,770)	-	(385,770)
CARRYING VALUES	賬面值			
At 31 December 2021	於二零二一年 十二月三十一日	-	14,163	14,163
At 31 December 2020	於二零二零年 十二月三十一日	-	14,927	14,927

The key assumptions used for value-in-use calculations are as follows:

計算使用價值所使用的主要假設如下：

		USA CGU 美國現金 產生單元	Germany CGU 德國現金 產生單元
Long-term growth rate	長期增長率		
31 December 2021	二零二一年十二月三十一日	2.5%	2.5%
31 December 2020	二零二零年十二月三十一日	2.0%	2.0%
Discount rate	折現率		
31 December 2021	二零二一年十二月三十一日	14.1%	14.9%
31 December 2020	二零二零年十二月三十一日	14.6%	15.7%



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16. GOODWILL (continued)

In addition to goodwill above, other intangible assets, property, plant and equipment, and right-of-use assets disclosed in notes 17, 13 and 14, that generate cash flows together with the related goodwill are also included in the respective CGU for the purpose of impairment assessment.

The recoverable amounts of both cash-generating units have been determined based on a value-in-use calculation using cash flow projections based on financial budgets approved by management covering a five-year period for both CGUs. The budgeted gross margins and annual revenue growth rates during the forecasted period are determined based on past performance and the expectations of market development. The discount rates used are before tax and reflect specific risks relating to the relevant units. The cash flows beyond the forecast period are extrapolated using the rates stated above. These long-term growth rates are based on relevant industry growth forecasts and does not exceed the average growth rate after the forecast period of the industry in which the units operate.

During the year ended 31 December 2020, based on the above impairment assessment, a full impairment loss on goodwill for the USA CGU had been recognised in profit or loss and included in the impairment of goodwill line item.

Based on the above impairment assessment, no impairment loss has been recognised on other assets of the USA CGU or the goodwill of the Germany CGU during the year ended 31 December 2021 since the estimated recoverable amount for each of USA CGU and Germany CGU is above the respective carrying amount of its assets. Management believes that any reasonably possible change in any of these assumptions would not result in any impairment loss.

16. 商譽 (續)

就減值評估目的而言，除上文所述商譽外，附註17、13及14所披露產生現金流量的其他無形資產、物業、廠房和設備以及使用權資產連同相關商譽亦計入各現金產生單元。

兩個現金產生單元的可收回金額乃根據採用現金流量預測來計算之使用價值而釐定，該現金流量預測以管理層批准的五年期（就兩個現金產生單元而言）財務預算為基礎。預測期內的預算毛利率及年收入增長率乃按過往表現及市場發展的預期釐定。所使用之折現率為除稅前及反映與有關單元相關之特定風險。現金流量乃使用上文所載之利率推算。預測期間後的該等長期增長率乃基於相關行業之增長預測且不超過預測期間後有關單元經營所在行業之平均增長率。

截至二零二零年十二月三十一日止年度，根據上述減值評估，美國現金產生單元的商譽全額減值虧損已於損益確認，並計入商譽減值的行項目。

基於上述減值評估，由於美國現金產生單元和德國現金產生單元各自的估計可收回金額均高於其資產的相應賬面價值，截至二零二一年十二月三十一日止年度，美國現金產生單元的其他資產或德國現金產生單元的商譽並無確認減值虧損。管理層認為，任何這些假設的任何合理可能變化均不會導致任何減值虧損。

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17. OTHER INTANGIBLE ASSETS

17. 其他無形資產

		Development programs in progress	Trademarks	Product technology, licence and completed programs	Customer relationships	Others	Total
		進行中發展計劃	商標	產品技術牌照及已完成的計劃	客戶關係	其他	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
COST	成本						
At 1 January 2020	於二零二零年一月一日	270,529	262,431	829,467	546,087	12,910	1,921,424
Additions	添置	35,150	-	168	-	307	35,625
Transfers	轉撥	(67,148)	-	67,148	-	-	-
Disposals	出售	-	-	(377)	-	-	(377)
Exchange realignment	匯兌調整	2,596	2,137	21,598	7,758	-	34,089
At 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日	241,127	264,568	918,004	553,845	13,217	1,990,761
Additions	添置	25,051	-	49	-	145	25,245
Disposals	出售	-	-	(165)	-	-	(165)
Transfers	轉撥	-	-	262	-	-	262
Exchange realignment	匯兌調整	(3,594)	(1,837)	(18,722)	(6,557)	6	(30,704)
At 31 December 2021	於二零二一年十二月三十一日	262,584	262,731	899,428	547,288	13,368	1,985,399
ACCUMULATED AMORTISATION AND IMPAIRMENT	累積攤銷及減值						
At 1 January 2020	於二零二零年一月一日	-	17,711	59,768	72,452	5,859	155,790
Charge for the year (note 9)	本年開支 (附註9)	-	9,695	37,743	38,525	2,046	88,009
Impairment loss recognised in profit or loss	於損益確認的減值虧損	58,753	-	26,521	-	-	85,274
Disposals	出售	-	-	(377)	-	-	(377)
Exchange realignment	匯兌調整	-	744	2,782	1,473	-	4,999
At 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日及二零二一年一月一日	58,753	28,150	126,437	112,450	7,905	333,695
Charge for the year (note 9)	本年開支 (附註9)	-	9,718	36,431	38,451	2,494	87,094
Disposals	出售	-	-	(165)	-	-	(165)
Impairment loss recognised in profit or loss	於損益確認的減值虧損	-	1,307	-	5,121	-	6,428
Exchange realignment	匯兌調整	-	(798)	(3,258)	(1,678)	3	(5,731)
At 31 December 2021	於二零二一年十二月三十一日	58,753	38,377	159,445	154,344	10,402	421,321
NET CARRYING AMOUNT	賬面淨值						
At 31 December 2021	於二零二一年十二月三十一日	203,831	224,354	739,983	392,944	2,966	1,564,078
At 31 December 2020	於二零二零年十二月三十一日	182,374	236,418	791,567	441,395	5,312	1,657,066



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17. OTHER INTANGIBLE ASSETS (continued)

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Trademarks	30 years
Product technology, licence and completed programs	10 to 30 years
Customer relationships	15 years
Others	1 to 5 years

During the year ended 31 December 2020, the impairment losses of HK\$58,753,000 and HK\$26,521,000 were recognised for development programs in progress and product technology, licence and completed programs, respectively, as some customers cancelled their production plans triggered by Covid-19 impacts. The Group has therefore suspended the related development and fully impaired these programs which no longer had economic benefit. During the year ended 31 December 2021, the impairment loss of HK\$1,307,000 and HK\$5,121,000 were recognised for trademarks and customer relationships, respectively, as the Group has suspended one of its production line and the respective trademarks and customer relationships are considered no longer had any economic benefit.

The Group estimates the recoverable amounts of respective CGUs to which the other intangible assets belong, when it is not possible to estimate the recoverable amount of these assets individually. The recoverable amounts of the CGUs have been determined based on a value-in-use calculation, details of which including key assumptions underlying the value-in-use calculation are set out in the note 16.

17. 其他無形資產 (續)

上述無形資產的使用年限有限。此類無形資產在下列期間按直線法攤銷：

商標	30年
產品技術、牌照及 已完成計劃	10至30年
客戶關係	15年
其他	1至5年

截至二零二零年十二月三十一日止年度，由於部份客戶因Covid-19帶來之影響取消其生產計劃，本集團已分別就進行中發展計劃以及產品技術、牌照及已完成的計劃確認減值虧損58,753,000港元及26,521,000港元。因此，本集團已暫停有關發展及悉數減值不再有經濟效益之該等計劃。於截至二零二一年十二月三十一日止年度，由於本集團已暫停其中一條生產線，而有關商標及客戶關係被視為不再有任何經濟利益，故就商標及客戶關係分別確認減值虧損1,307,000港元及5,121,000港元。

當本集團無法個別估計其他無形資產所屬的各現金產生單元的可收回金額時，本集團會估計該等資產的可收回金額。現金產生單元的可收回金額乃根據使用價值計算而釐定，有關詳情（包括相關使用價值計算的主要假設）載於附註16。

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18. INTEREST IN AN ASSOCIATE**18. 於聯營公司之權益**

		2021	2020
		二零二一年	二零二零年
		HK\$'000	HK\$'000
		千港元	千港元
At 1 January	於一月一日	12,029	11,781
Gain on deemed disposal	視作出售之利潤	11,790	767
Share of results	分佔業績	(4,130)	(1,191)
Exchange realignment	匯兌調整	682	672
At 31 December	於十二月三十一日	20,371	12,029
Loans to an associate included in current assets	計入流動資產之向聯營公司提供的貸款	7,121	11,135

The principal of the loan to an associate is RMB8,000,000 (equivalent to approximately HK\$9,412,000), and is interest bearing at 6% per year. During the year, the principal amount of RMB2,400,000 was repaid. The loan was originally matured on 30 June 2021. During the year, the loan has been extended and will mature on 30 June 2022.

As at 31 December 2021 and 2020, the loss allowance was assessed to be minimal.

向聯營公司提供的貸款之本金為人民幣8,000,000元(相等於約9,412,000港元)，並按每年6%計息。年內已償還本金人民幣2,400,000元。該貸款原定於二零二一年六月三十日到期。年內，該貸款已展期，將於二零二二年六月三十日到期。

於二零二一年及二零二零年十二月三十一日，評定虧損撥備屬最低限度。



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18. INTEREST IN AN ASSOCIATE (continued)

Particulars of the associate are as follows:

Name 名稱	Place of incorporation/ registration and business 註冊成立/註冊及營業地點	Percentage of ownership interest attributable to the Group 本集團應佔擁有權權益百分比		Principal activity 主要業務
		2021 二零二一年	2020 二零二零年	
		北京華信泰科技股份有限公司 ("北京華信泰")*	PRC/Mainland China	
北京華信泰科技股份有限公司 ("北京華信泰")*	中國/中國內地			工程技術及電子通信技術的研究 及開發

* Not audited by Deloitte's members firm.

During the year, the Group's equity interest in 北京華信泰 was diluted as a result of capital injection by new investors to 北京華信泰. Accordingly, a gain on deemed disposal of an associate of HK\$11,790,000 (2020: HK\$767,000) was recognised in the consolidated statement of profit or loss for the year.

18. 於聯營公司之權益 (續)

聯營公司之詳情如下：

* 並無經德勤之成員公司審核。

於本年度，由於新投資者向北京華信泰注資，本集團於北京華信泰之股本權益已被攤薄。因此，被視為出售聯營公司之利潤11,790,000港元(二零二零年：767,000港元)已於本年度綜合損益表中確認。

19. INTEREST IN A JOINT VENTURE

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Share of net assets	分佔淨資產	-	-
Loans to a joint venture included in current assets	計入流動資產之 向合營公司提供的貸款	7	1,046

19. 於合營公司之權益

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19. INTEREST IN A JOINT VENTURE*(continued)*

The interests in joint ventures include the Group's right to enjoy certain economic benefits derived from a 69.4% equity interest in CATIC Siwei Co., Ltd. ("CATIC Siwei") held by third parties through trust arrangements. CATIC Siwei is registered as a co-operative joint venture under PRC law and is holding an investment in PRC which operates in the aero-technology business and is an investment holding company.

In the opinion of the directors, notwithstanding that the Group has the right to enjoy certain economic benefits from the 69.4% equity interest in CATIC Siwei, none of the shareholders of CATIC Siwei has unilateral control over the economic activity of CATIC Siwei pursuant to the provisions in the articles of association of CATIC Siwei. Since the decisions about the relevant activities of CATIC Siwei require the unanimous consent of the parties sharing control, the directors consider it is appropriate to account for the investment as an interest in a joint venture using the equity method of accounting.

The loans to CATIC Siwei of HK\$7,000 (2020: HK\$1,046,000) is unsecured, interest bearing at 5% per year and repayable on demand. During the year, RMB2,652,000 (equivalent to approximately HK\$3,176,000) was repaid.

The Group has discontinued the recognition of its share of losses of CATIC Siwei because the share of losses of CATIC Siwei exceeded the Group's interest and the Group has no obligation to take up further losses. CATIC Siwei was inactive during the year ended 31 December 2021 and 2020.

On 30 November 2020, the Group entered into a share purchase agreement with a purchaser, an independent third-party, pursuant to which the purchaser agreed to acquire the 69.4% of the total issued capital of CATIC Siwei at a consideration of RMB11,500,000 (equivalent to approximately HK\$13,529,000). The disposal has not been completed as of 31 December 2021.

CATIC Siwei was not audited by Deloitte's members firm.

19. 於合營公司之權益 (續)

於合營公司之權益包括本集團有權享有由第三方透過信託安排持有之四維航空遙感有限公司(「四維遙感」) 69.4%股本權益之若干經濟利益。四維遙感根據中國法例註冊為合資企業，並於中國持有營運航空技術業務及投資控股公司之投資。

董事認為，雖然本集團擁有四維遙感 69.4%股本權益的若干經濟收益權，但根據四維遙感的公司章程規定，概無四維遙感股東對四維遙感之經濟活動擁有單方面控制權。由於四維遙感相關活動的決策需要共同控制的各方一致同意，董事認為將該投資作為合營公司的權益採用權益法入賬屬合適。

對四維遙感的貸款7,000港元(二零二零年：1,046,000港元)乃無抵押、按年利率5%計息及須按要求償還。年內，已償還人民幣2,652,000元(相等於約3,176,000港元)。

本集團已終止確認分佔四維遙感的虧損，因為分佔四維遙感的虧損已超逾本集團的權益，而本集團並無義務承擔進一步虧損。截至二零二一年及二零二零年十二月三十一日止年度，四維遙感暫停營運。

於二零二零年十一月三十日，本集團與獨立第三方買方訂立購股協議，根據該協議，買方同意按代價人民幣11,500,000元(相等於約13,529,000港元)收購四維遙感全部已發行股本之69.4%。於二零二一年十二月三十一日，該出售事項尚未完成。

四維遙感並無經德勤之成員公司審核。



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20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

20. 按公平值計入損益之財務資產

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Unlisted investment, at fair value	非上市投資，按公平值		
Non-current asset:	非流動資產：		
VerdeGo Aero, Inc.'s convertible bonds	VerdeGo Aero, Inc.之可換股債券	1,938	1,938

The above investment is classified as financial assets at FVTPL as the contractual cash flows are not SPPI.

由於合約現金流量並非僅為支付本金及利息，因此上述投資分類為按公平值計入損益的財務資產。

The maturity date of the convertible bonds issued by VerdeGo Aero, Inc. is 28 February 2028.

VerdeGo Aero, Inc.發行之可換股債券之到期日為二零二八年二月二十八日。

21. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

21. 按公平值計入其他全面收益之股本投資

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Unlisted equity investment, at fair value	非上市股本投資，按公平值：		
Ampaire, Inc.	Ampaire, Inc.	389	389

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

由於本集團認為該等投資屬策略性質，所以已不可撤銷地把上述股本投資指定為按公平值計入其他全面收益。

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21. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

In the prior year, the Group disposed of an investment in AVIC Joy Holding (HK) Limited, at a consideration of HK\$26,821,000, the fair value at the date of disposal was HK\$26,821,000. A cumulative loss on disposal of HK\$568,004,000 was transferred from fair value reserve of equity investments designated at fair value through other comprehensive income to retained profits.

21. 按公平值計入其他全面收益之股本投資 (續)

於去年，本集團以代價26,821,000港元出售於幸福控股(香港)有限公司之投資，於出售日期之公平值為26,821,000港元。出售之累計虧損568,004,000港元已自按公平值計入其他全面收益之股本投資之公平值儲備轉撥至留存溢利。

22. INVENTORIES**22. 存貨**

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Raw materials	原材料	351,857	313,705
Work in progress	在製品	123,280	108,755
Finished goods	製成品	17,835	20,418
		492,972	442,878

23. TRADE RECEIVABLES**23. 應收貿易賬款**

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Trade receivables	應收貿易賬款	123,190	131,392
Impairment losses under ECL	預期信貸虧損下之減值虧損	(5,755)	(8,437)
		117,435	122,955

As at 1 January 2020, trade receivables from contracts with customers amounted to HK\$103,672,000.

於二零二零年一月一日，來自客戶合約之應收貿易賬款是103,672,000港元。



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23. TRADE RECEIVABLES (continued)

The Group's trading terms with its customers are mainly on credit, where partial advanced payment is required for certain customers. The credit period is generally 30 days and each customer has been assigned a specified credit limit by the Group.

The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. As at 31 December 2021, the Group had certain concentrations of credit risk as 50% (2020: 28%) of the Group's trade receivables were due from one of the Group's key customers. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

23. 應收貿易賬款 (續)

本集團與客戶之信貸條款主要為賒賬，就若干客戶而言須預付部份款項。信貸期一般為30日，且本集團分配每位客戶的指定信貸限額。

本集團務求對未清還之應收貿易賬款維持嚴格監管。管理高層定期檢討逾期結餘。於二零二一年十二月三十一日，本集團有若干信貸集中風險，原因是本集團的應收貿易賬款之50% (二零二零年：28%) 為應收本集團一名主要客戶之款項。本集團並無就其應收貿易賬款之結餘持有任何抵押品或其他信貸保證。應收貿易賬款並不計息。

於報告期末，應收貿易賬款按發票日期及扣除虧損撥備之賬齡分析如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within 1 month	一個月內	88,666	63,372
1 to 2 months	一至兩個月	14,509	19,029
2 to 3 months	二至三個月	3,923	2,654
Over 3 months	超過三個月	10,337	37,900
		117,435	122,955

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23. TRADE RECEIVABLES (continued)

The movements in the loss allowance for impairment of the trade receivables are as follows:

23. 應收貿易賬款 (續)

應收貿易賬款之減值之虧損撥備變動如下：

		Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (非信貸 減值) HK\$'000 千港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸 減值) HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日	4,394	-	4,394
Impairment losses recognised, net	已確認減值虧損，淨額	4,043	1,467	5,510
Write-off	撇銷	-	(1,467)	(1,467)
At 31 December 2020	於二零二零年 十二月三十一日	8,437	-	8,437
Impairment losses recognised, net	已確認減值虧損， 淨額	(2,682)	3,108	426
Write-off	撇銷	-	(3,108)	(3,108)
At 31 December 2021	於二零二一年 十二月三十一日	5,755	-	5,755

An impairment analysis is performed at each reporting date using a provision matrix and individually assessment to measure expected credit losses. Except for debtors with significant balances and credit impaired, the Group determines the expected credit losses on trade receivables by using a provision matrix. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

於各報告日期使用撥備矩陣及個別評估進行減值分析，以計量預期信貸虧損。除具有巨額結餘及已信貸減值的應收賬款外，本集團使用撥備矩陣釐定貿易應收賬款的預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分部組別的逾期日數釐定。該計算反映了概率加權結果、貨幣時間價值以及於報告日期可獲得的關於過去事件、當前狀況及未來經濟狀況預測的合理及可支持資料。



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23. TRADE RECEIVABLES (continued)

As at 31 December 2021, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$17,352,000 (2020: HK\$41,445,000) which are past due as at the reporting date. Out of the past due balances, HK\$8,428,000 (2020: HK\$19,020,000) has been past due 90 days or more and is not considered as in default because the debtors have good repayment record. The impairment of HK\$2,074,000 (2020: HK\$5,544,000) has been provided in relation to the past due 90 days based on the provision matrix during the year ended 31 December 2021.

Generally, trade receivables are written off if past due for more than one year. The trade receivables with gross amount of HK\$3,108,000 (2020: HK\$1,467,000), which are past due over one year are fully impaired and written off during the year ended 31 December 2021.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

23. 應收貿易賬款 (續)

於二零二一年十二月三十一日，本集團應收貿易賬款結餘包括於報告日期已逾期的總賬面值17,352,000港元(二零二零年：41,445,000港元)的應收賬款。在逾期結餘中，8,428,000港元(二零二零年：19,020,000港元)已逾期90天或以上，由於該等債務人的還款記錄良好，故不被視為違約。於截至二零二一年十二月三十一日止年度，已根據撥備矩陣就逾期90天計提2,074,000港元(二零二零年：5,544,000港元)的減值撥備。

一般而言，應收貿易賬款如逾期超過一年則予以撇銷。已逾期超過一年總金額為3,108,000港元(二零二零年：1,467,000港元)的貿易應收賬款已於截至二零二一年十二月三十一日止年度悉數減值及撇銷。

下表載列使用撥備矩陣分析的有關本集團應收貿易賬款的信貸風險的資料：

		Past due 逾期			Total 合計	
		Current 即期	Less than 1 month 少於一個月	1 to 3 months 一至三個月		Over 3 months 三個月以上
As at 31 December 2021	於二零二一年 十二月三十一日					
ECL rate	預期信貸虧損率	0.4%	2.2%	14.3%	24.6%	5.6%
Gross carrying amount (HK\$'000)	賬面總值 (千港元)	26,025	8,623	301	8,428	43,377
ECL (HK\$'000)	預期信貸虧損 (千港元)	116	187	43	2,074	2,420
		25,909	8,436	258	6,354	40,957

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23. TRADE RECEIVABLES (continued)

The remaining trade receivables with an aggregated gross carrying amount of HK\$79,813,000 (2020: HK\$72,748,000) were assessed individually due to the significant balances involved and the expected credit losses of HK\$1,184,000 (2020: HK\$1,682,000) were recognised as at 31 December 2021.

23. 應收貿易賬款 (續)

由於涉及巨額結餘，總賬面值為79,813,000港元(二零二零年：72,748,000港元)的餘下應收貿易賬款已單獨評估，並於二零二一年十二月三十一日確認預期信貸虧損1,184,000港元(二零二零年：1,682,000港元)。

		Past due 逾期				Total 合計
		Current 即期	Less than 1 month 少於一個月	1 to 3 months 一至三個月	Over 3 months 三個月以上	
As at 31 December 2020	於二零二零年 十二月三十一日					
ECL rate	預期信貸虧損率	0.5%	2.9%	12.4%	29.1%	11.5%
Gross carrying amount (HK\$'000)	賬面總值 (千港元)	17,199	17,393	5,032	19,020	58,644
ECL (HK\$'000)	預期信貸虧損 (千港元)	85	503	623	5,544	6,755
		17,114	16,890	4,409	13,476	51,889

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

24. 預付款項、按金及其他應收賬款

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Prepayments	預付款項	15,245	11,144
Deposits and other receivables	按金及其他應收賬款	19,591	46,301
Impairment allowance	減值撥備	(10,554)	(12,289)
		24,282	45,156



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24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Deposits and other receivables mainly represent rental deposits and deposits with suppliers. An impairment analysis is performed at each reporting date by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The gross amount of other receivables under lifetime ECL (credit-impaired) is HK\$10,554,000 (2020: HK\$12,289,000) because the receivables are in default or there is information indicating that the debtors are in severe financial difficulty.

The movements in the loss allowance for impairment of other receivables which are assessed under lifetime ECL (credit-impaired) are as follows:

24. 預付款項、按金及其他應收賬款 (續)

按金及其他應收賬款主要為租賃按金及供應商按金。於各報告日期，本集團採用虧損率法並參考本集團的過往虧損記錄進行減值分析。本集團調整虧損率以反映當前狀況及對未來經濟狀況的預測（倘適用）。由於應收賬款拖欠或有資料顯示債務人存在嚴重財務困難，因此，全期預期信貸虧損（已信貸減值）項下的其他應收賬款總額為10,554,000港元（二零二零年：12,289,000港元）。

全期預期信貸虧損（已信貸減值）項下評估的其他應收賬款之減值虧損撥備變動如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
At 1 January	於一月一日	12,289	41,774
Changes due to financial instruments recognised as at 1 January	於一月一日已確認的金融工具產生的變動		
– Impairment losses reversed*	– 撥回減值虧損*	(2,931)	(16,066)
– Write-offs**	– 撇銷**	–	(15,540)
Exchange realignment	匯兌調整	1,196	2,121
At 31 December	於十二月三十一日	10,554	12,289

* During the year ended 31 December 2021, the reversal of impairment loss of HK\$2,931,000 (2020: HK\$16,066,000) relates to a loan from a third party, which the related gross amount was fully impaired in previous years. Reversal was made due to settlements received in the current year.

** Due to significant financial difficulty of a third party borrower of a loan advanced by the Group, the impairment loss of HK\$15,540,000 was written off in the prior year.

* 於截至二零二一年十二月三十一日止年度，減值虧損撥回2,931,000港元（二零二零年：16,066,000港元）與來自第三方的貸款有關，其有關總額於過往年度悉數減值。撥回乃因本年度已收到結算款項所致。

** 由於本集團墊付貸款的第三方借款人出現重大財政困難，15,540,000港元的減值虧損已於過往年度撇銷。

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24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

The ECL of remaining deposits and other receivables were assessed under 12-month ECL. These relate to debtors for which there was no history of default and the amounts have not been past due. As at 31 December 2021 and 2020, the loss allowance on deposits and other receivables under 12-month ECL was assessed to be minimal.

25. AMOUNTS DUE FROM FELLOW SUBSIDIARIES

The amounts due from fellow subsidiaries are unsecured, non-interest-bearing and within the credit term. The following is an aged analysis presented based on the invoice date.

24. 預付款項、按金及其他應收賬款 (續)

餘下按金及其他應收賬款的預期信貸虧損按十二個月預期信貸虧損評估。這些與並無違約記錄的債務人有關及該等金額並未逾期。於二零二一年及二零二零年十二月三十一日，十二個月預期信貸虧損的按金及其他應收賬款的虧損撥備評估為極微。

25. 應收同系附屬公司款項

應收同系附屬公司款項乃無抵押、不計息及在信貸期內。下文為按發票日期呈列的賬齡分析。

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within 1 month	1個月內	13,818	10,663
1 to 2 months	1至2個月	11,719	4,738
2 to 3 months	2至3個月	12	-
Over 3 months	3個月以上	274	387
		25,823	15,788

No allowance for impairment was made since the management consider that the probability of default is minimal after assessing the counterparties' financial background and creditability.

由於管理層在評估交易對方的財務背景和信用狀況後認為違約的可能性很小，因此沒有計提減值撥備。



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26. CASH AND CASH EQUIVALENTS

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Bank balances	銀行結存	429,369	596,322
Time deposits	定期存款	193,750	317,750
Cash and cash equivalents	現金及現金等值	623,119	914,072

Bank balances comprise cash held by the Group and short-term bank deposits that are interest-bearing at market interest rates ranging from 0% to 2.0115% (2020: 0% to 2.0115%) per annum and have maturity of three months or less. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

銀行結存包括本集團持有之現金以及按市場年利率介乎於0%至2.0115%（二零二零年：0%至2.0115%）計息及到期日為三個月或以下之短期銀行存款。銀行結存及定期存款均存放於無近期拖欠歷史且信譽昭著之銀行。

27. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Within 1 month	一個月內	99,589	52,282
1 to 2 months	一至兩個月	16,146	47,926
2 to 3 months	二至三個月	1,999	5,730
Over 3 months	超過三個月	15,688	1,845
		133,422	107,783

The trade payables are normally settled on 45 days terms.

27. 應付貿易賬款

於報告期末，應付貿易賬款按發票日期之賬齡分析如下：

該等應付貿易賬款一般按45日期限清還。

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28. OTHER PAYABLES AND ACCRUALS**28. 其他應付賬款及應計費用**

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Other payables*	其他應付賬款*	48,972	28,999
Accruals	應計費用	51,008	87,494
		99,980	116,493

* Other payables are non-interest-bearing, and included the consideration received for the disposal of CATIC Siwei of RMB11,500,000 (equivalent to approximately HK\$14,025,000) (2020: RMB11,500,000 (equivalent to approximately HK\$13,529,000)).

* 其他應付款項為不計息款項，包括就出售四維遙感收取的代價人民幣11,500,000元（相當於約14,025,000港元）（二零二零年：人民幣11,500,000元（相當於約13,529,000港元））。

29. AMOUNTS DUE TO INTERMEDIATE HOLDING COMPANIES

The amounts due to intermediate holding companies are unsecured, non-interest-bearing and repayable on demand.

29. 應付中間控股公司款項

應付中間控股公司款項為無抵押、不計息及須按要求償還。



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30. CONTRACT LIABILITIES

30. 合約負債

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Repair and maintenance service for aircraft engines	飛機發動機之維修保養服務	37,392	37,127
Sale of aircraft engines and spare parts	銷售飛機發動機及備件	-	9,756
		37,392	46,883
Current	流動	8,139	17,948
Non-current	非流動	29,253	28,935
		37,392	46,883

As at 1 January 2020, contract liabilities amounted to HK\$39,028,000.

The current portion of the contract liabilities at the beginning of the year are recognised as revenue in the following year.

31. BANK BORROWINGS

The bank borrowings were fully settled during the year. As at 31 December 2020, the bank borrowings were denominated in United States dollars and were interest bearing at 1%-3.48% per annum.

於二零二零年一月一日，合約負債為39,028,000港元。

年初合約負債的流動部分在次年確認為收入。

31. 銀行借貸

銀行借貸於年內悉數償還。於二零二零年十二月三十一日，銀行借貸以美元計價，年利率為1%-3.48%。

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32. PROVISIONS

32. 撥備

		Warranty and Service Bulletin provision 保修及服務 公告撥備 HK\$'000 千港元	Product claim provision 產品 索賠撥備 HK\$'000 千港元	Other provisions 其他撥備 HK\$'000 千港元	Total 合計 HK\$'000 千港元
31 December 2021	二零二一年 十二月三十一日				
At 1 January 2021	於二零二一年一月一日	80,676	20,104	36,367	137,147
Additional provision (note 9)	額外撥備 (附註9)	5,861	56,775	14,270	76,906
Utilised during the year	年內已動用	(28,915)	(63,447)	(8,862)	(101,224)
Exchange realignment	匯兌調整	(1,693)	-	(1,632)	(3,325)
Others	其他	(2,558)	-	739	(1,819)
At 31 December 2021	於二零二一年 十二月三十一日	53,371	13,432	40,882	107,685
Portion classified as current liabilities	分類為流動負債的部份	(52,898)	(6,457)	(15,936)	(75,291)
Non-current portion	非流動部份	473	6,975	24,946	32,394



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32. PROVISIONS (continued)

32. 撥備 (續)

		Warranty and Service Bulletin provision 保修及 服務公告 撥備 HK\$'000 千港元	Product claim provision 產品 索賠撥備 HK\$'000 千港元	Other provisions 其他撥備 HK\$'000 千港元	Total 合計 HK\$'000 千港元
31 December 2020	二零二零年 十二月三十一日				
At 1 January 2020	於二零二零年一月一日	25,924	15,105	37,130	78,159
Additional provision (note 9)	額外撥備 (附註9)	61,068	20,104	13,273	94,445
Utilised during the year	年內已動用	(8,100)	(15,105)	(15,598)	(38,803)
Exchange realignment	匯兌調整	1,784	–	1,527	3,311
Others	其他	–	–	35	35
At 31 December 2020	於二零二零年 十二月三十一日	80,676	20,104	36,367	137,147
Portion classified as current liabilities	分類為流動負債的部份	(79,967)	(13,129)	(11,522)	(104,618)
Non-current portion	非流動部份	709	6,975	24,845	32,529

The Group provides warranties mainly for one year to its customers on certain of its engines. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

During the year ended 31 December 2020, the Group released a Service Bulletin to replace certain of its products due to safety concerns. An estimate for the probable costs has been made for these claims and is included in warranty and service bulletin provision. This estimate has been developed in consultation with the Group's insurers, legal counsels, historical experience and is based upon an analysis of potential results.

本集團就其部份發動機向其客戶主要提供一年的保修期。保修撥備金額根據銷量及過往的維修及退貨水平之經驗估算。本集團持續檢討該估算基準，並於適當時候對其進行修訂。

於截至二零二零年十二月三十一日止年度，出於安全考慮，本集團發佈服務公告以更換其若干產品。已對這些索賠的可能成本進行估計，並計入保修及服務公告條款內。該項估計乃本集團在與本集團的保險公司及法律顧問協商後，根據過往經驗，並基於對潛在結果的分析作出。

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32. PROVISIONS (continued)

The product liability provisions are made for any present expected product liability claims as a result of the assessment at the end of the reporting period. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

32. 撥備 (續)

產品責任撥備乃針對報告期末評估的任何當前預期產品責任索賠而作出。本集團持續檢討該估算基準，並於適當時候對其進行修訂。

33. LEASE LIABILITIES**33. 租賃負債**

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Lease liabilities payable:	應付租賃負債：		
Within one year	一年內	6,533	5,311
In the second year	於第二年	6,569	5,272
In the third to fifth years, inclusive	於第三至第五年 (包括首尾兩年)	19,182	15,680
Beyond five years	超過五年	278,734	288,634
		311,018	314,897
Less: Amount due for settlement within 12 months shown under current liabilities	減：流動負債項下 所顯示於12個月內到 期結付之金額	(6,533)	(5,311)
Amount due for settlement after 12 months shown under non- current liabilities	非流動負債項下 所顯示於12個月後 到期結付之金額	304,485	309,586

The weighted average incremental borrowing rates applied to lease liabilities range from 4.14% to 5.25% (2020: from 4.14% to 5.25%).

應用於租賃負債之加權平均增量借貸利率介乎於4.14%至5.25% (二零二零年：4.14%至5.25%)。



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34. SHARE CAPITAL

34. 股本

		Number of ordinary shares 普通股數目	Nominal amount 面值 HK\$'000 千港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股		
Authorised:	法定：		
At 1 January 2020, 31 December 2020 and 31 December 2021	於二零二零年一月一日、 二零二零年十二月 三十一日及二零二一年 十二月三十一日	10,000,000,000	1,000,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2020, 31 December 2020 and 31 December 2021	於二零二零年一月一日、 二零二零年十二月 三十一日及二零二一年 十二月三十一日	9,303,374,783	930,337

35. RESERVE FUND

The reserve fund represents the statutory reserve of certain subsidiaries operating as foreign-owned enterprises in Mainland China. Pursuant to the articles of association of these subsidiaries and the relevant PRC Company Law, the subsidiaries shall make an allocation from their profit after tax at the rate of 10% to the statutory surplus reserve fund, until such reserve reaches 50% of the registered capital of the subsidiaries. Part of the statutory surplus reserve may be capitalised as the subsidiaries' registered capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital of the subsidiaries. The statutory reserve will be reclassified to retained profits upon the disposal of the subsidiaries.

35. 儲備金

儲備金指於中國內地以外資企業方式經營之若干附屬公司之法定儲備。根據該等附屬公司的公司章程及相關中國公司法，該等附屬公司須將其除稅後溢利之10%撥至法定盈餘儲備金，直至有關儲備達至該等附屬公司註冊資本之50%。部份法定儲備金可撥充為該等附屬公司之註冊資本，惟規定資本化後之餘下結餘不少於該等附屬公司註冊資本之25%。法定儲備於該等附屬公司被出售時將重新分類至留存溢利。

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36. DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior years:

36. 遞延稅項

於本年度及去年確認之主要遞延稅項負債及資產及其變動如下：

		Fair value adjustments arising from acquisition of subsidiaries 收購附屬 公司產生的 公平值調整 HK\$'000 千港元	Accelerated depreciation and amortisation 加速折舊 及攤銷 HK\$'000 千港元	Losses available for offsetting against future taxable profits 可供抵銷 未來應課稅 溢利之虧損 HK\$'000 千港元	Provisions, other liabilities and others 撥備、其他 負債及其他 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日	(368,861)	(94,254)	146,733	66,575	(249,807)
Credit (charge) to profit or loss (note 8)	計入 (扣除) 損益 (附註8)	148,037	(6,670)	(81,411)	(4,540)	55,416
Credit to other comprehensive income	計入其他全面收益	-	-	-	95	95
Exchange realignment	匯兌調整	(6,078)	(2,464)	3,983	73	(4,486)
At 31 December 2020	於二零二零年十二月三十一日	(226,902)	(103,388)	69,305	62,203	(198,782)
Credit (charge) to profit or loss (note 8)	計入 (扣除) 損益 (附註8)	19,205	(4,465)	(33,524)	1,246	(17,538)
Charge other comprehensive income	扣除其他全面收益	-	-	-	(179)	(179)
Exchange realignment	匯兌調整	4,743	2,409	(2,019)	(152)	4,981
At 31 December 2021	於二零二一年十二月三十一日	(202,954)	(105,444)	33,762	63,118	(211,518)



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36. DEFERRED TAX (continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Net deferred tax assets recognised in the consolidated statement of financial position	於綜合財務狀況表確認之遞延稅項資產淨額	-	28,120
Net deferred tax liabilities recognised in the consolidated statement of financial position	於綜合財務狀況表確認之遞延稅項負債淨額	(211,518)	(226,902)
		(211,518)	(198,782)

At 31 December 2021, the Group has not recognised deferred tax assets in respect of cumulative tax losses arising in (i) the PRC amounted to HK\$22,227,000 (2020: HK\$21,443,000) that would expire in one to five years for offsetting against future taxable profits, and (ii) the USA amounted to HK\$739,251,000 (2020: HK\$599,720,000) in respect of federal tax and HK\$691,556,000 (2020: HK\$624,627,000) in respect of state tax that would expire in future subject to local tax legislations. The above deferred tax assets have not been recognised in respect of these losses as it is not probable that future taxable profits against which the tax losses can be utilised will be available in the relevant tax jurisdiction and entity.

36. 遞延稅項 (續)

為方便列示，若干遞延稅項資產及負債已於綜合財務狀況表中抵消。以下為本集團之遞延稅項結餘就財務報告用途所作分析：

於二零二一年十二月三十一日，本集團並無就以下地區產生的累計稅項虧損確認遞延稅項資產：(i) 中國為22,227,000港元(二零二零年：21,443,000港元)，該等虧損將於一至五年內到期(就抵銷未來應課稅溢利而言)；及(ii)美國有關聯邦稅的739,251,000港元(二零二零年：599,720,000港元)及有關州稅的691,556,000港元(二零二零年：624,627,000港元)，將根據當地稅項法例於未來到期。由於相關稅務司法權區及實體不大可能有可動用稅項虧損的未來應課稅溢利，故並無就該等虧損確認上述遞延稅項資產。

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36. DEFERRED TAX (continued)

Pursuant to the Corporate Income Tax Law of the People's Republic of China, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between PRC and the jurisdiction of the foreign investors. For the Group, the applicable rates range from 5% to 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in PRC in respect of earnings generated from 1 January 2008.

At 31 December 2021 and 2020, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries, joint venture and associate established in PRC. In the opinion of the directors, it is not probable that these subsidiaries, joint venture and associate will distribute such earnings in the foreseeable future.

36. 遞延稅項 (續)

根據中華人民共和國企業所得稅法，在中國成立之外資企業向外國投資者宣派之股息須徵收10%預扣稅。該規定於二零零八年一月一日起生效，適用於二零零七年十二月三十一日後之收益。倘中國與外國投資者之司法權區訂有稅收協定，或可採用較低之預扣稅率。對本集團而言，適用稅率為5%至10%。本集團因而須為在中國成立之附屬公司就自二零零八年一月一日起產生之收益所分派之股息承擔預扣稅。

於二零二一年及二零二零年十二月三十一日，並無就本集團在中國成立之附屬公司、合營公司及聯營公司須繳納預扣稅之未匯出收益所應付之預扣稅確認遞延稅項。董事認為，該等附屬公司、合營公司及聯營公司不大會在可見將來分派該等收益。



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37. DEFINED BENEFIT PLAN OBLIGATIONS

Continental Motors United Auto Workers Pension Plan (“UAW Pension Plan”)

The Group has a defined benefit pension plan. It is a pension plan for the United States employees which require contributions to be made to a separately administered fund. This benefit pension plan is funded. Under the plan, the employees are entitled to monthly retirement benefits or early or postponed retirement benefits when they have early or postponed retirements subject to certain conditions.

Continental Motors Post-retirement Life & Health Plan (“Life & Health Plan”)

The Group provides certain additional post-employment medical and life benefits to employees in the United States. These benefits are unfunded. Under the plan, the employees are entitled to receive post-employment medical benefits.

The actuarial valuations of the present value of the defined benefit plan obligations were carried out as at the end of the reporting period by Newport Group, Inc., a qualified actuary, using the projected unit credit actuarial valuation method.

The principal assumptions used at the end of the reporting period are as follows:

37. 定額福利計劃責任

大陸發動機聯合汽車工人退休金計劃 (「UAW退休金計劃」)

本集團擁有定額福利退休金計劃。該計劃為針對美國僱員的退休金計劃，須向獨立管理賬戶作出供款。該福利退休金計劃已設立基金。根據該計劃，僱員有權按月收取退休福利，或倘彼等提早或推遲退休，有權按月收取提前或推遲退休福利，惟須達成若干條件。

大陸發動機退休後人壽健康計劃 (「人壽健康計劃」)

本集團向美國僱員提供若干額外退休後醫療及人壽福利。該等福利未設基金。根據該計劃，僱員有權收取退休後醫療福利。

定額福利計劃責任現值的精算估值乃由Newport Group, Inc. (合資格精算師) 於報告期末使用預計單位信貸精算估值法進行。

於報告期末使用的主要假設載列如下：

		2021 二零二一年 %	2020 二零二零年 %
Discount rate	折現率		
UAW Pension Plan	UAW退休金計劃	2.63	2.24
Life & Health Plan	人壽健康計劃	2.34	1.88

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37. DEFINED BENEFIT PLAN OBLIGATIONS
(continued)

A quantitative sensitivity analysis for significant assumptions at the end of the reporting period is shown below:

		Increase in rate 比率上升 %	Decrease in defined benefit obligations 定額福利 責任減少 HK\$'000 千港元	Decrease in rate 比率下降 %	Increase in defined benefit obligations 定額福利 責任增加 HK\$'000 千港元
As at 31 December 2021	於二零二一年 十二月三十一日				
Discount rate	折現率	1	(6,958)	(1)	8,333
As at 31 December 2020	於二零二零年 十二月三十一日				
Discount rate	折現率	1	(7,638)	(1)	9,447

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit plan obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit plan obligations as it is unlikely that changes in assumptions would occur in isolation of one another.

The total expenses recognised as administrative expenses in the Group's profit or loss in respect of the plans are as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Current service cost	即期服務成本	3,050	2,826
Net interest expense	利息開支淨額	319	375
Net benefit expenses (note 9)	福利開支淨額 (附註9)	3,369	3,201

37. 定額福利計劃責任 (續)

於報告期末有關重大假設的定量敏感度分析列示如下：

上述敏感度分析乃根據於報告期末主要假設發生之合理變動對定額福利計劃責任之影響作推斷而釐定。敏感度分析乃基於在所有其他假設不變的情況下就一項重大假設的改變而進行。敏感度分析未必代表定額福利計劃責任的實際改變，因該等假設的改變通常不會單獨發生。

就有關計劃於本集團損益內確認為行政管理費用的總開支如下：



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37. DEFINED BENEFIT PLAN OBLIGATIONS

(continued)

The movements of the defined benefit plan obligations and the fair value of plan assets are as follows:

37. 定額福利計劃責任 (續)

定額福利計劃責任及計劃資產的公平值變動如下：

		Defined benefit plan obligations 定額福利計劃責任		Fair value of plan assets 計劃資產的公平值		Total 合計	
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
At 1 January	於一月一日	59,114	52,456	(42,341)	(36,700)	16,773	15,756
Pension cost charged to profit or loss	計入損益的退休金成本						
Current service cost	即期服務成本	3,050	2,826	-	-	3,050	2,826
Net interest expense (income)	利息開支(收入)淨額	1,287	1,427	(968)	(1,052)	319	375
Sub-total included in profit or loss	計入損益的小計	4,337	4,253	(968)	(1,052)	3,369	3,201
Remeasurement losses (gains) recognised in other comprehensive income	於其他全面收益內確認的重新計量虧損(利潤)						
Returns on plan assets (excluding amounts included in net interest expense)	計劃資產回報(不包括計入利息開支淨額的金額)	-	-	(3,674)	(3,054)	(3,674)	(3,054)
Actuarial changes arising from changes in demographic assumptions	人口假設變動產生的精算變動	149	(416)	-	-	149	(416)
Actuarial changes arising from changes in financial assumptions	財務假設變動產生的精算變動	(3,032)	4,172	-	-	(3,032)	4,172
Actuarial changes arising from experience adjustments	經驗調整產生的精算變動	(457)	-	-	-	(457)	-
Sub-total included in other comprehensive income	計入其他全面收益的小計	(3,340)	3,756	(3,674)	(3,054)	(7,014)	702
Others	其他						
Contribution by employer	僱主供款	-	-	(2,844)	(2,886)	(2,844)	(2,886)
Benefits paid	已付福利	(1,337)	(1,351)	1,337	1,351	-	-
At 31 December	於十二月三十一日	58,774	59,114	(48,490)	(42,341)	10,284	16,773

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37. DEFINED BENEFIT PLAN OBLIGATIONS
(continued)

The major categories of the fair value of plan assets of the UAW Pension Plan are as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Equity instruments	股本工具	26,335	21,627
Debt instruments	債務工具	19,903	18,745
Others	其他	2,252	1,969
		48,490	42,341

The Group expects to contribute HK\$3,195,000 (2020: HK\$2,790,000 for the year ending 31 December 2021) to pension plans for the year ending 31 December 2022.

Since Life & Health Plan is unfunded, there are no plan assets for the disclosure for the Life & Health Plan for the years ended 31 December 2021 and 2020.

The average duration of the UAW Pension Plan as at 31 December 2021 is 14 (2020: 14) years. The average duration of the Life & Health Plan as at 31 December 2021 is 8 (2020: 8) years.

37. 定額福利計劃責任 (續)

UAW退休金計劃的計劃資產的公平值之主要類別如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Equity instruments	股本工具	26,335	21,627
Debt instruments	債務工具	19,903	18,745
Others	其他	2,252	1,969
		48,490	42,341

本集團預計於截至二零二二年十二月三十一日止年度向該等退休金計劃供款3,195,000港元(二零二零年：截至二零二一年十二月三十一日止年度供款2,790,000港元)。

由於人壽健康計劃未設基金，故截至二零二一年及二零二零年十二月三十一日止年度並無有關人壽健康計劃的計劃資產披露。

於二零二一年十二月三十一日，UAW退休金計劃的平均期限為14年(二零二零年：14年)。於二零二一年十二月三十一日，人壽健康計劃的平均期限為8年(二零二零年：8年)。



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38. OTHER FINANCIAL LIABILITIES

In the prior year, other financial liabilities represents the fair value of the Group's interest rate swap contracts. The Group had utilised interest rate swap contracts to hedge its exposure to cash flow changes on its floating rate bank borrowings. During the year, the Group's bank borrowings have been fully repaid and all interest rate swap contracts have been settled. Fair value gain of HK\$12,525,000 (2020: loss of HK\$47,897,000) was recognised and included in other gains and losses.

39. SHARE OPTION SCHEME

At the annual general meeting held on 28 May 2014, the Company adopted a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants to contribute to the business development and growth of the Group and to enable the Group to recruit high-calibre employees and attract or retain human resources that are valuable to the Group. Since the adoption of the Scheme, no options have been granted, exercised, lapsed, cancelled or outstanding thereunder as at 31 December 2021.

Major terms of the Scheme include:

1. The purpose of the Scheme is to provide incentives to the participants.
2. The participants of the Scheme are any individual being employees, officers or consultants of the Company or any of its subsidiaries including any executive or non-executive directors thereof whether employed in Hong Kong or any part of the world.

38. 其他財務負債

於去年，其他財務負債為本集團利率掉期合約的公平值。本集團已利用利率掉期合約對沖其浮動利率銀行借貸的現金流量變動風險。年內，本集團的銀行借貸已悉數償還，所有利率掉期合約均已結清。公平值收益12,525,000港元（二零二零年：虧損47,897,000港元）已確認並於其他利潤及虧損確認。

39. 購股權計劃

於二零一四年五月二十八日舉行之股東週年大會上，本公司採納了一項購股權計劃（「該計劃」），目的為對本集團之業務發展及成長作出貢獻之合資格參與者提供激勵及獎勵，以使本集團能夠招攬優秀員工並吸引或挽留對本集團具有價值之人才。自採納該計劃以來，於二零二一年十二月三十一日，概無根據該計劃授出、行使、失效、註銷或尚未行使之購股權。

該計劃之主要條款包括：

1. 該計劃旨在向參與者提供激勵。
2. 該計劃之參與者為本公司或其任何附屬公司在香港或世界各地僱用之僱員、高級職員或顧問等個別人士，包括任何執行或非執行董事。

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39. SHARE OPTION SCHEME (continued)

3. The total number of shares of the Company (the "Shares") which may be issued upon exercise of all options to be granted under the Scheme, together with all options to be granted under any other share option schemes of any member of the Group, must not in aggregate represent more than 10% of the total number of the Shares in issue as at the date of adoption of the Scheme. The Company may refresh this 10% limit at any time subject to prior approval given by its shareholders at a general meeting. The overall limit on the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme, together with all outstanding options granted and yet to be exercised under any other share option schemes of any member of the Group, must not exceed 30% of the total number of the Shares in issue from time to time. No options may be granted under the Scheme and any other share option schemes of any member of the Group if such grant will result in the said 30% limit being exceeded. As at the date of this annual report, the total number of securities available for issue under the Scheme was 461,959,100 Shares, representing approximately 4.97% of the total number of the Shares in issue as at the date of this annual report.

39. 購股權計劃 (續)

3. 因行使根據該計劃授出之所有購股權，連同根據本集團任何成員公司的任何其他購股權計劃授出之所有購股權而可能發行之本公司股份（「股份」）總數，不得超過於該計劃採納當日已發行股份總數之10%。本公司可隨時更新該10%上限，惟須於股東大會上獲股東事先批准。因行使根據該計劃授出而尚未行使之所有尚未行使購股權，連同行使根據本集團任何成員公司的任何其他購股權計劃授出而尚未行使之所有尚未行使購股權而可能發行之股份總數，不得超過不時已發行股份總數之30%。倘根據該計劃及本集團任何成員公司的任何其他購股權計劃授出購股權將致令超出上述30%之上限，則不予授出購股權。於本年報日期，根據該計劃可供發行之證券總數為461,959,100股股份，相當於本年報日期已發行股份總數之約4.97%。



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

39. SHARE OPTION SCHEME (continued)

4. The total number of Shares issued and to be issued upon exercise of the options (whether exercised, cancelled or outstanding) granted or to be granted under the Scheme and any other share option schemes of the Company to each eligible participant under the Scheme in any 12-month period shall not exceed 1% of the total number of the Shares in issue as at the proposed grant date.
5. An option may be exercised in accordance with the terms of the Scheme at any time during a period of 10 years commencing on the date which the Board may determine at its discretion but such date shall not be earlier than three months after the date of the grant of such option is made.
6. An option granted shall remain open for acceptance by eligible participants for a period of 28 days from the date of the grant of such option together with a non-refundable payment of HK\$1.00.

39. 購股權計劃 (續)

4. 於任何十二個月期間因行使根據該計劃及本公司任何其他購股權計劃已向或將向該計劃項下各合資格參與者授出之購股權（不論已行使、已註銷或尚未行使）而發行及將予發行之股份總數，不得超過建議授出日期已發行股份總數之1%。
5. 購股權可根據該計劃之條款於自董事會可酌情釐定的日期（惟相關日期不得早於相關購股權授出日期後三個月）起計十年期間內隨時行使。
6. 授出的購股權於授出日期後28日期間內維持可供合資格參與者接納，並須支付不可退回款項1.00港元。

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

39. SHARE OPTION SCHEME (continued)

7. The exercise price of an option shall be the highest of:
- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of the grant of the option, which must be a business day;
 - (b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the grant (subject to acceptance) of the option; and
 - (c) the nominal value of the Shares.
8. The Scheme shall be valid and effective for a period of 10 years commencing on 28 May 2014 and thereafter for as long as there are outstanding options granted and accepted pursuant thereto prior to the expiration of the said 10-year period and in order to give effect to the exercise of any such options.

Share options did not confer rights on the holders to dividends or to vote at shareholders' meetings.

At the end of the reporting period and at the date of approval of these consolidated financial statements, there were no (2020: Nil) share options outstanding.

39. 購股權計劃 (續)

7. 購股權之行使價須為下列之最高者：
- (a) 於購股權授出日期（須為營業日）聯交所每日報價表所列之股份收市價；
 - (b) 於緊接購股權授出（須獲接納）日期前五個營業日於聯交所每日報價表所列之股份平均收市價；及
 - (c) 股份面值。
8. 該計劃由二零一四年五月二十八日起計十年期間有效及具效力，而於上述十年期屆滿前已授出及接納之尚未行使購股權仍可行使。

購股權並無賦予持有人享有股息或於股東大會上投票之權利。

於報告期末及本綜合財務報表獲批准當日，並無（二零二零年：無）尚未行使之購股權。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

40. CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Contracted, but not provided for:	已訂約但尚未撥備：		
Plant and machinery	廠房及機器	54,347	55,443

41. CAPITAL RISK MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2021 and 31 December 2020.

40. 資本承擔

本集團於報告期末有以下資本承擔：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Contracted, but not provided for:	已訂約但尚未撥備：		
Plant and machinery	廠房及機器	54,347	55,443

41. 資本風險管理

本集團資本管理的首要目標，為確保本集團具備持續發展的能力，且維持穩健的資本比率，以支持其業務運作，為股東創造最大價值。

本集團根據經濟情況的變動及相關資產的風險特徵，管理其資本結構並作出調整。為維持或調整資本結構，本集團可能會調整向股東派發的股息、向股東退回資本或發行新股。本集團不會受制於任何外部施加之資本需求。截至二零二一年十二月三十一日及二零二零年十二月三十一日止年度內，資本管理之目標、政策或程序並無改變。

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42. FINANCIAL INSTRUMENTS

42a. Financial instruments by category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

42. 金融工具

42a. 金融工具分類

於報告期末，各類別之金融工具賬面值如下：

		Financial assets at amortised cost	Financial assets at FVTPL	Financial assets at FVTOCI 按公平值 計入其他全面 收益之 財務資產	Total 合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2021	二零二一年				
Financial assets	財務資產				
Financial assets at FVTOCI	按公平值計入其他全面 收益之財務資產	-	-	389	389
Financial assets at FVTPL	按公平值計入損益之 財務資產	-	1,938	-	1,938
Trade receivables	應收貿易賬款	117,435	-	-	117,435
Amounts due from fellow subsidiaries	應收同系附屬公司款項	25,823	-	-	25,823
Loans to an associate	向聯營公司提供的貸款	7,121	-	-	7,121
Loans to a joint venture	向合營公司提供的貸款	7	-	-	7
Deposits and other receivables	按金及其他應收賬款	9,037	-	-	9,037
Cash and cash equivalents	現金及現金等值	623,119	-	-	623,119
		782,542	1,938	389	784,869



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

42. FINANCIAL INSTRUMENTS (continued)

42a. Financial instruments by category (continued)

42. 金融工具 (續)

42a. 金融工具分類 (續)

		Financial liabilities at amortised cost 按攤銷成本列賬之財務負債 HK\$'000 千港元
2021	二零二一年	
Financial liabilities	財務負債	
Trade payables	應付貿易賬款	133,422
Other payables	其他應付賬款	48,972
Lease liabilities	租賃負債	311,018
Amounts due to intermediate holding companies	應付中間控股公司款項	27,495
		520,907

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

42. FINANCIAL INSTRUMENTS (continued)

42. 金融工具 (續)

42a. Financial instruments by category
(continued)

42a. 金融工具分類 (續)

		Financial assets at amortised cost	Financial assets at FVTPL	Financial assets at FVTOCI	Total
		按攤銷成本 列賬的 財務資產	按公平值 計入損益之 財務資產	按公平值 計入其他全面 收益之 財務資產	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
2020	二零二零年				
Financial assets	財務資產				
Financial assets at FVTOCI	按公平值計入其他全面 收益之財務資產	-	-	389	389
Financial assets at FVTPL	按公平值計入損益之 財務資產	-	1,938	-	1,938
Trade receivables	應收貿易賬款	122,955	-	-	122,955
Amounts due from fellow subsidiaries	應收同系附屬公司款項	15,788	-	-	15,788
Loans to an associate	向聯營公司提供的貸款	11,135	-	-	11,135
Loans to a joint venture	向合營公司提供的貸款	1,046	-	-	1,046
Deposits and other receivables	按金及其他應收賬款	34,012	-	-	34,012
Cash and cash equivalents	現金及現金等值	914,072	-	-	914,072
		1,099,008	1,938	389	1,101,335



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (continued)

42a. Financial instruments by category (continued)

42. 金融工具 (續)

42a. 金融工具分類 (續)

		Financial liabilities at amortised cost 按攤銷成本列賬的財務負債 HK\$'000 千港元	Financial liabilities at FVTPL 按公平值計入損益之財務負債 HK\$'000 千港元	Total 合計 HK\$'000 千港元
2020	二零二零年			
Financial liabilities	財務負債			
Trade payables	應付貿易賬款	107,783	–	107,783
Other payables	其他應付賬款	28,999	–	28,999
Bank borrowings	銀行借貸	252,902	–	252,902
Other financial liabilities	其他財務負債	–	47,897	47,897
Lease liabilities	租賃負債	314,897	–	314,897
Amounts due to intermediate holding companies	應付中間控股公司款項	26,456	–	26,456
		731,037	47,897	778,934

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

42. FINANCIAL INSTRUMENTS (continued)**42b. Financial risk management objectives and policies**

The Group's financial instruments include financial assets at FVTOCI, financial assets at FVTPL, trade receivables, amounts due from fellow subsidiaries, loans to an associate, loans to a joint venture, deposits and other receivables, cash and cash equivalents, trade payables, other payables, bank borrowings, lease liabilities, other financial liabilities and amounts due to intermediate holding companies. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities, such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, credit risk, liquidity risk and equity price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group has intra-group balance denominated in foreign currency which expose the Group to foreign currency risk. The carrying amount of the intra-group asset is EUR19,125,000 (equivalent to HK\$168,300,000) as at 31 December 2021 (2020: EUR19,500,000, equivalent to HK\$180,863,000). An increase or decrease of 5% in HK\$ against EUR, will increase or decrease in the Group's loss after tax of HK\$7,027,000 (2020: HK\$7,551,000).

42. 金融工具 (續)**42b. 財務風險管理目標及政策**

本集團的金融工具包括按公平值計入其他全面收益的財務資產、按公平值計入損益的財務資產、應收貿易賬款、應收同系附屬公司款項、向聯營公司提供的貸款、向合營公司提供的貸款、按金及其他應收賬款、現金及現金等值、應付貿易賬款、其他應付賬款、銀行借貸、租賃負債、其他財務負債及應付中間控股公司款項。此等金融工具的主要用途是為本集團的營運提供財源。本集團亦有各樣的其他財務資產及負債，例如應收貿易賬款及應付貿易賬款，乃直接由營運而產生。

本集團的金融工具所產生的主要風險是外匯風險、利率風險、信貸風險、流動性風險及股價風險。董事會已審議並批准管理此等風險的政策，概述如下。

外匯風險

本集團的集團內公司間結餘以外幣計值，令本集團承受外匯風險。於二零二一年十二月三十一日，集團內公司間資產的賬面值為19,125,000歐元（相當於168,300,000港元）（二零二零年：19,500,000歐元，相當於180,863,000港元）。港元兌歐元增加或減少5%，將使本集團的除稅後虧損增加或減少7,027,000港元（二零二零年：7,551,000港元）。



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42. FINANCIAL INSTRUMENTS (continued)

42b. Financial risk management objectives and policies (continued)

Foreign currency risk (continued)

In addition, as most of the Group's business transactions, assets and liabilities are principally denominated in the functional currencies of the operating units, the Group's other exposure to foreign currency risk is minimal.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate borrowings, loans to an associate and lease liabilities. The Group's bank borrowings were fully settled during the year.

Cash flow interest rate risk in relation to variable-rate bank balances and deposits is considered insignificant as most of them are short-term in nature. Accordingly, no interest rate sensitivity analysis is presented.

Equity price risk

The Group is exposed to equity price risk on its equity investments which are classified at FVTPL and FVTOCI (notes 20 and 21).

The directors consider that the Group's exposure to equity price risk is insignificant and accordingly no sensitivity analysis is presented.

42. 金融工具 (續)

42b. 財務風險管理目標及政策 (續)

外匯風險 (續)

此外，由於本集團的大部份業務交易、資產及負債均主要以營運單位之功能貨幣結算，因此本集團所承受的其他外匯風險極微。

利率風險

本集團面臨與固定利率借貸、向聯營公司提供的貸款及租賃負債有關的公平值利率風險。本集團的銀行借款已於年內悉數償還。

與浮息銀行結存及存款有關的現金流量利率風險被視為微小，因為其中大部分屬短期性質。因此，並無呈列利率敏感性分析。

股價風險

本集團面臨其股本投資的股權價格風險，該等股本投資按公平值計入損益及按公平值計入其他全面收益(附註20及21)分類。

董事認為本集團面臨的股權價格風險並不大，因此並無呈列敏感度分析。

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42. FINANCIAL INSTRUMENTS (continued)

42b. Financial risk management objectives and policies (continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

A summary of the Group's exposure to credit risk and impairment assessment is as follows:

42. 金融工具 (續)

42b. 財務風險管理目標及政策 (續)

信貸風險

本集團僅與經認可的及信譽良好的第三方進行交易。本集團的政策是所有有意進行信貸交易的客戶均需通過信貸驗證措施。再者，本集團持續監察應收款項的結餘，因此壞賬的風險並不重大。

本集團信貸風險敞口及減值評估概述如下：

		Notes 附註	External credit rating 外部 信貸評級	Internal credit rating 內部 信貸評級	12m or lifetime ECL 12個月或全期 預期信貸虧損	Gross carrying amounts 總賬面值	
						2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Financial assets at amortised cost	按攤銷成本列賬的財務資產						
Time deposits	定期存款	26	AA – AA+	N/A 不適用	12m ECL 12個月預期 信貸虧損	193,750	317,750
Bank balances	銀行結存	26	AA – AA+	N/A 不適用	12m ECL 12個月預期 信貸虧損	429,369	596,322
Amounts due from related companies	應收關聯公司款項	(note a) (附註a)	N/A 不適用	(note a) (附註a)	12m ECL 12個月預期 信貸虧損	7,128	12,181
Other receivables	其他應收款項	24	N/A 不適用	(note b) (附註b)	(note b) (附註b)	19,591	46,301
Trade receivables	應收貿易賬款	23	N/A 不適用	(note c) (附註c)	(note c) (附註c)	123,190	131,392
Amounts due from fellow subsidiaries	應收同系附屬公司款項	25	N/A 不適用	(note d) (附註d)	(note d) (附註d)	25,823	15,788



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42. FINANCIAL INSTRUMENTS (continued)

42b. Financial risk management objectives and policies (continued)

Credit risk (continued)

Notes:

- (a) The gross amounts of amounts due from related companies include loans to an associate of HK\$7,121,000 (2020: HK\$11,135,000) and loans to a joint venture of HK\$7,000 (2020: HK\$1,046,000), details of which are set out in notes 18 and 19 to the consolidated financial statements. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the year ended 31 December 2021 and 2020, the Group assessed the ECL for these balances to insignificant and thus no loss allowance is recognised.
- (b) The gross amount of other receivables under lifetime ECL (credit-impaired) is HK\$10,554,000 (2020: HK\$12,289,000) because the receivables are in default or there is information indicating that the debtors are in severe financial difficulty. The remaining balances of HK\$9,037,000 (2020: HK\$34,012,000) were assessed under 12-month ECL. These relate to debtors for which there was no history of default and the amounts have not been past due. Details of the Group's ECL on other receivables are set out in note 24 to the consolidated financial statements.
- (c) For trade receivables, the Group has applied the simplified approach under HKFRS 9 to measure the loss allowance at lifetime ECL. Details of the Group's ECL on trade receivables are set out in note 23 to the consolidated financial statements.

42. 金融工具 (續)

42b. 財務風險管理目標及政策 (續)

信貸風險 (續)

附註：

- (a) 應收關聯公司款項總額包括向聯營公司提供的貸款7,121,000港元(二零二零年：11,135,000港元)及向合營公司提供的貸款7,000港元(二零二零年：1,046,000港元)，詳情載於綜合財務報表附註18及19。管理層認為，自初始確認後，該等金額的信貸風險並無顯著增加，本集團按12個月預期信貸虧損計提減值。截至二零二一年及二零二零年十二月三十一日止年度，本集團評定該等結餘的預期信貸虧損不大，因此不確認虧損準備。
- (b) 全期預期信貸虧損(信貸減值)項下的其他應收款總額為10,554,000港元(二零二零年：12,289,000港元)，原因是應收款項已違約或有資料顯示債務人陷入嚴重財務困境。餘下結餘9,037,000港元(二零二零年：34,012,000港元)根據12個月預期信貸虧損進行評估。這些與沒有違約歷史的債務人有關且金額未逾期。本集團其他應收賬款的預期信貸虧損詳情載於綜合財務報表附註24。
- (c) 對於應收貿易賬款，本集團採用香港財務報告準則第9號下的簡化方法計量全期預期信貸虧損的虧損撥備。本集團有關應收貿易賬款的預期信貸虧損詳情載於綜合財務報表附註23。

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

42. FINANCIAL INSTRUMENTS (continued)

42b. Financial risk management objectives and policies (continued)

Credit risk (continued)

Notes: (continued)

- (d) For amounts due from fellow subsidiaries, the Group has applied the simplified approach under HKFRS 9 to measure the loss allowance at lifetime ECL. Details of the Group's ECL on amounts due from fellow subsidiaries are set out in note 25 to the consolidated financial statements.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and loans from intermediate holding companies.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

42. 金融工具 (續)

42b. 財務風險管理目標及政策 (續)

信貸風險 (續)

附註：(續)

- (d) 對於應收同系附屬公司款項，本集團已應用香港財務報告準則第9號下的簡化方法計量全期預期信貸虧損的虧損撥備。本集團應收同系附屬公司款項的預期信貸虧損詳情載於綜合財務報表附註25。

流動性風險

本集團利用經常性流動規劃工具監控資金短缺風險。該工具考慮金融工具及財務資產(如應收貿易賬款)的到期日及營運產生的預計現金流量。

本集團的目標乃是透過利用銀行貸款以及來自中間控股公司之貸款，以保持融資的持續性和靈活性的平衡。

於報告期末，本集團基於已訂約但未折現付款之財務負債到期情況如下：

		On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
		於要求時	少於三個月	少於十二個月	一至五年	五年以後	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
2021	二零二一年						
Non-derivative financial instruments	非衍生金融工具						
Amounts due to intermediate holding companies	應付中間控股公司款項	27,495	-	-	-	-	27,495
Trade payables	應付貿易賬款	-	133,422	-	-	-	133,422
Other payables	其他應付賬款	-	48,972	-	-	-	48,972
Lease liabilities	租賃負債	-	5,555	16,164	78,934	425,546	526,199
		27,495	187,949	16,164	78,934	425,546	736,088



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

42. FINANCIAL INSTRUMENTS (continued)

42b. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

	On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
	於要求時	少於三個月	少於十二個月	一至五年	五年以後	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
2020						
二零二零年						
Non-derivative financial instruments 非衍生金融工具						
Amounts due to intermediate holding companies 應付中間控股公司款項	26,456	-	-	-	-	26,456
Trade payables 應付貿易賬款	-	107,783	-	-	-	107,783
Other payables 其他應付賬款	-	28,999	-	-	-	28,999
Bank borrowings 銀行借貸	-	197,757	-	60,437	-	258,194
Lease liabilities 租賃負債	-	4,956	14,410	97,683	425,546	542,595
	26,456	339,495	14,410	158,120	425,546	964,027
Derivative-net settlement 衍生工具-淨額結算						
Other financial liabilities 其他財務負債	-	2,299	7,924	30,721	7,206	48,150

42c. Fair value and fair value hierarchy of financial instruments

Management has assessed that the fair values of its financial assets and liabilities measured at amortised cost approximates to their fair values.

Certain of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as different levels of the fair value hierarchy into which the fair value measurements are categorised (level 1 to 3) based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements.

42. 金融工具 (續)

42b. 財務風險管理目標及政策 (續)

流動性風險 (續)

42c. 金融工具之公平值及公平值等級制度

管理層已評估其以攤銷成本計量之財務資產及負債之公平值與其公平值相若。

本集團若干財務資產及財務負債乃於各報告期末按公平值計量。下表提供如何釐定此等財務資產及財務負債公平值的資料 (特別是所使用的估值技術及輸入數據), 以及根據公平值計量的輸入數據的可觀察程度及公平值計量的輸入數據的重要程度將公平值計量分類 (第一級至第三級) 的不同公平值等級的資料。

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

42. FINANCIAL INSTRUMENTS (continued)

42c. Fair value and fair value hierarchy of financial instruments (continued)

42. 金融工具 (續)

42c. 金融工具之公平值及公平值等級制度 (續)

Financial instruments	Fair values as at		Fair value hierarchy	Valuation techniques	Key unobservable inputs sensitivity analysis 重大不可觀察輸入數據 敏感度分析
	31.12.2021 二零二一年 十二月三十一日	31.12.2020 二零二零年 十二月三十一日			
金融工具	於以下日期之公平值		公平值等級	估值技術	
Interest rate swaps	Liabilities – Nil	Liabilities – HK\$47,897,000	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contracted interest rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A
利率掉期	負債 – 無	負債 – 47,897,000 港元	第2級	折現現金流量。 未來現金流量根據遠期利率(來自於報告期末之可觀察收益曲線)及約定利率估計，並按反各交易對手信貸風險的折現率進行折現。	不適用
Unlisted equity investment	Assets – HK\$389,000	Assets – HK\$389,000	Level 3	Market approach using issued prices of transactions.	Recent transaction prices 1% (2020: 1%) increase/decrease in issued prices of transactions would result in increase/decrease in fair value by HK\$4,000 (2020: HK\$4,000).
非上市股本投資	資產 – 389,000 港元	資產 – 389,000 港元	第3級	使用交易發行價的市場法。	最近期交易價格 交易的發行價增加/減少1% (二零二零年: 1%) 將導致公平值增加/減少4,000港元(二零二零年: 4,000港元)。



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

42. FINANCIAL INSTRUMENTS (continued)

42c. Fair value and fair value hierarchy of financial instruments (continued)

Financial instruments	Fair values as at		Fair value hierarchy	Valuation techniques	Key unobservable inputs sensitivity analysis 重大不可觀察輸入數據 敏感度分析
	31.12.2021 二零二一年 十二月三十一日	31.12.2020 二零二零年 十二月三十一日			
金融工具	於以下日期之公平值		公平值等級	估值技術	
Unlisted debt investment	Assets – HK\$1,938,000	Assets – HK\$1,938,000	Level 3	Discounted cash flow method was used to capture the present value based on the expected yield rate.	Yield rate at 7% (2020: 7%) 1% (2020: 1%) increase/decrease in yield rate would result in decrease/increase in fair value by HK\$115,000/HK\$123,000 (2020: HK\$124,000/HK\$134,000)
非上市債務投資	資產— 1,938,000港元	資產— 1,938,000港元	第3級	使用折現現金流量法根據預期收益率獲取現值。	收益率為7% (二零二零年：7%) 收益率增加/減少1% (二零二零年：1%) 將導致公平值減少/增加115,000港元/123,000港元 (二零二零年：124,000港元/134,000港元)。

During both year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

於兩個年度內，公平值計量並無在第一級及第二級之間轉移，亦無轉入或轉出第三級。

42. 金融工具 (續)

42c. 金融工具之公平值及公平值等級制度 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

42. FINANCIAL INSTRUMENTS (continued)

42c. Fair value and fair value hierarchy of financial instruments (continued)

The movements in fair value measurements within Level 3 during the year are as follows:

42. 金融工具 (續)

42c. 金融工具之公平值及公平值等級制度 (續)

年內，第三級公平值計量的變動如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Equity investments designated at fair value through other comprehensive income – unlisted:	按公平值計入其他全面收益之股本投資 – 非上市：		
At 1 January	於一月一日	389	389
Gains in other comprehensive income	其他全面收益中之利潤	–	3,889
Disposal	出售	–	(3,889)
At 31 December	於十二月三十一日	389	389
Financial assets at fair value through profit or loss	按公平值計入損益之財務資產：		
At 1 January and 31 December	於一月一日及十二月三十一日	1,938	1,938



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

43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

2021

		Bank borrowings	Lease liabilities	Amounts due to intermediate holding companies 應付中間控股公司 款項	Other financial liabilities 其他財務負債	Total
		銀行借貸 HK\$'000 千港元	租賃負債 HK\$'000 千港元	應付中間 控股公司 款項 HK\$'000 千港元	其他財務 負債 HK\$'000 千港元	合計 HK\$'000 千港元
At 1 January 2021	於二零二一年一月一日	252,902	314,897	26,456	47,897	642,152
Changes from financing cash flows	融資現金流量變動	(195,502)	(7,217)	1,039	(35,372)	(237,052)
New leases	新租賃	-	3,387	-	-	3,387
Exchange realignment	匯兌調整	-	(49)	-	-	(49)
Interest expense	利息支出	159	14,268	-	-	14,427
Interest paid classified as operating cash flow	分類為經營現金流量的 已付利息	-	(14,268)	-	-	(14,268)
Bank borrowings forgiven	銀行借貸豁免	(57,559)	-	-	-	(57,559)
Fair value adjustment	公平值調整	-	-	-	(12,525)	(12,525)
At 31 December 2021	於二零二一年十二月三十一日	-	311,018	27,495	-	338,513

43. 融資活動產生之負債之對賬

下表詳列本集團融資活動產生之負債變動，包括現金及非現金變動。融資活動產生之負債為其現金流量或未來現金流量於本集團之綜合現金流量表分類為融資活動之現金流量。

二零二一年

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43. RECONCILIATION OF LIABILITIES
ARISING FROM FINANCING ACTIVITIES

(continued)

2020

43. 融資活動產生之負債之對賬 (續)

二零二零年

		Bank borrowings	Lease liabilities	Amounts due to intermediate holding companies 應付中間 控股公司 款項	Other financial liabilities 其他財務 負債	Total
		銀行借貸 HK\$'000 千港元	租賃負債 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	合計 HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日	225,161	320,610	27,846	-	573,617
Changes from financing cash flows	融資現金流量變動	23,490	(5,934)	-	-	17,556
New leases	新租賃	-	202	-	-	202
Exchange realignment	匯兌調整	-	19	(1,390)	-	(1,371)
Interest expense	利息支出	4,251	14,500	-	-	18,751
Interest paid classified as operating cash flow	分類為經營現金流量的 已付利息	-	(14,500)	-	-	(14,500)
Fair value adjustment	公平值調整	-	-	-	47,897	47,897
At 31 December 2020	於二零二零年十二月三十一日	252,902	314,897	26,456	47,897	642,152

44. MAJOR NON-CASH TRANSACTIONS

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of HK\$3,387,000 (2020: HK\$202,000) in respect of lease arrangements for motor vehicles (2020: motor vehicles).

44. 主要非現金交易

年內，本集團有關汽車（二零二零年：汽車）租賃安排之使用權資產及租賃負債的非現金增加為3,387,000港元（二零二零年：202,000港元）。



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

45. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions described elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the year:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Interest income on loans to an associate*	向聯營公司提供的貸款之利息收入*	448	550
Interest income on loans to a joint venture*	向合營公司提供的貸款之利息收入*	285	-
Fellow subsidiaries:	同系附屬公司：		
Sales	銷售	230,114	165,965
Purchases	採購	824	-
Short-term lease payment to an intermediate holding company	向中間控股公司作出的短期租賃付款	1,244	1,468

* Details of the loans to an associate and loans to a joint venture are set out in note 18 and 19 to the consolidated financial statements.

* 向聯營公司提供的貸款和向合營公司提供的貸款之詳情載於綜合財務報表附註18和19。

- (b) Compensation of key management personnel of the Group:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	2,420	2,394
Post-employment benefits	僱用後福利	36	36
Total compensation paid to key management personnel	支付主要管理層成員之報酬總額	2,456	2,430

Further details of directors' emoluments are included in note 10 to the consolidated financial statements.

- (b) 本集團主要管理層成員之報酬：

有關董事酬金之進一步詳情載於綜合財務報表附註10。

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46. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the principal subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

46. 本公司主要附屬公司之詳情

本公司於報告期末直接及間接持有之主要附屬公司之詳情載於下文。

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及營業地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 2021 and 2020 本公司應佔股權百分比 二零二一年及二零二零年		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Billirich Investment Limited*	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1,000 1,000美元	100	-	Investment holding 投資控股
Motto Investment Limited*	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$68,200,000 68,200,000美元	100	-	Investment holding 投資控股
Continental Motors Deutschland Limited*	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1 1美元	-	100	Investment holding 投資控股
Continental Aerospace Technologies, Inc.	USA 美國	US\$4 4美元	-	100	Design, development and production of general aviation aircraft piston engines and spare parts and provision of aftermarket services and support for piston engines 設計、開發及生產通用航空飛機 活塞發動機及備件以及為活塞 發動機提供售後服務及支持
CG	Germany 德國	EUR25,000 25,000歐元	-	100	Design, development and production of general aviation aircraft piston engines and spare parts and provision of aftermarket services and support for piston engines 設計、開發及生產通用航空飛機 活塞發動機及備件以及為活塞 發動機提供售後服務及支持
Continental Motors (Beijing) Co., Ltd.* 大陸發動機(北京)有限責任公司	PRC/Mainland China 中國/中國內地	US\$4,000,000 4,000,000美元	100	-	Sale of aircraft engines and parts 銷售航空發動機及部件
Kingspot Investment Limited*	British Virgin Islands/ Hong Kong 英屬處女群島/香港	HK\$1 1港元	100	-	Investment holding 投資控股
CATIC Helicopter (H.K.) Limited*	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$2 2美元	100	-	Investment holding 投資控股

* The statutory financial statements of these subsidiaries were not audited by Deloitte's members firm.

* 所有此等附屬公司的法定財務報表均並無經德勤之成員公司審核。



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46. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(continued)

The above tables list the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities during both years.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries operate in Hong Kong. The principal activities of these subsidiaries are summarised as follows:

Principle activities 主要業務	Principle place of business 主要營業地點	Number of subsidiaries 附屬公司數目	
		31.12.2021 二零二一年 十二月三十一日	31.12.2020 二零二零年 十二月三十一日
Investment holding 投資控股	Hong Kong 香港	3	6
	Mainland China 中國內地	1	1
		4	7

During the year ended 31 December 2021, Yipon Investment Limited, Wahman Investment Limited and CATIC General Aviation Holdings Limited, all were wholly-owned subsidiaries of the Company, were deregistered.

46. 本公司主要附屬公司之詳情 (續)

上表列出董事認為對本集團的本年度業績有主要影響或佔本集團資產淨值重大部份的本公司附屬公司。董事認為，倘將其他附屬公司的資料列出，會令內容過於冗長。

於兩個年度內，概無任何附屬公司發行任何債務證券。

於報告期末，本公司擁有對本集團而言並非重大的其他附屬公司。該等附屬公司大部分在香港經營。該等附屬公司的主要業務概述如下：

於截至二零二一年十二月三十一日止年度，Yipon Investment Limited、Wahman Investment Limited及CATIC General Aviation Holdings Limited均為本公司的全資附屬公司及均已註銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

47. 本公司財務狀況表

有關本公司於報告期末的財務狀況表的資料載列如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房和設備	49	46
Investment property	投資物業	123,800	128,200
Investments in subsidiaries	於附屬公司之投資	2,206,152	1,887,555
		2,330,001	2,015,801
CURRENT ASSETS	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	1,260	322
Amounts due from subsidiaries	應收附屬公司款項	297,307	253,198
Cash and cash equivalents	現金及現金等值	290,054	675,945
		588,621	929,465
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付賬款及應計費用	3,149	2,973
Amounts due to subsidiaries	應付附屬公司款項	3,609	606,465
		6,758	609,438
Net assets	資產淨值	2,911,864	2,335,828
EQUITY	權益		
Share capital	股本	930,337	930,337
Reserves*	儲備*	1,981,527	1,405,491
Total equity	權益總值	2,911,864	2,335,828



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

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

47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

* A summary of the Company's reserves is as follows:

		Share premium account 股份溢價賬 HK\$'000 千港元	Asset revaluation reserve 資產重估儲備 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Retained profits (accumulated losses) 留存溢利 (累積虧損) HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日	1,857,729	130,615	5,243	325,454	2,319,041
Loss and total comprehensive expense for the year	虧損及本年全面支出總額	-	-	-	(913,550)	(913,550)
At 31 December 2020	於二零二零年十二月三十一日	1,857,729	130,615	5,243	(588,096)	1,405,491
Profit and total comprehensive income for the year	溢利及本年全面收益總額	-	-	-	576,036	576,036
At 31 December 2021	於二零二一年十二月三十一日	1,857,729	130,615	5,243	(12,060)	1,981,527

47. 本公司財務狀況表 (續)

* 本公司儲備概述如下：

The contributed surplus of the Company represents the excess of the consolidated net asset value of a subsidiary at the date of its acquisition by the Company in a previous year pursuant to a group reorganisation, over the nominal amount of the Shares issued in consideration for such acquisition, net of accumulated losses of the Company set off in the prior years. Under the Companies Act of 1981 of Bermuda, the contributed surplus of the Company is distributable to shareholders under certain circumstances.

本公司之繳入盈餘為本公司根據集團重組安排於過往年度收購一間附屬公司時，該附屬公司於收購日期之綜合資產淨值超逾作為收購代價而發行之股份面值之金額，並已扣除於過往年度抵銷之本公司累積虧損。根據百慕達一九八一年公司法，本公司之繳入盈餘在若干情況下可供分派予各股東。

FIVE YEAR FINANCIAL SUMMARY 五年財務概要

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below. This summary is not part of the audited financial statements.

本集團過去五個財政年度的業績及資產、負債和非控股權益概述如下，乃摘錄自己刊發經審核財務報表，並已作適當重列／重新分類。此等概要並非經審核財務報表的部份。

		Year ended 31 December 截至十二月三十一日止年度				
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元 (Restated) (重列)	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
RESULTS	業績					
CONTINUING OPERATIONS	持續經營業務					
Revenue	收益	1,416,409	1,246,809	1,458,003	1,341,223	-
LOSS BEFORE TAX	除稅前虧損	(24,790)	(808,530)	(83,833)	(159,025)	(69,434)
Income tax (expense)/credit	所得稅(開支)/抵免	(31,182)	51,792	29,817	31,893	724
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS	來自持續經營業務之本年虧損	(55,972)	(756,738)	(54,016)	(127,132)	(68,710)
DISCONTINUED OPERATION	已終止經營業務					
Profit/(loss) for the year from a discontinued operation	來自已終止經營業務之本年溢利/(虧損)	-	-	-	507,569	(267,833)
(LOSS)/PROFIT FOR THE YEAR	本年(虧損)/溢利	(55,972)	(756,738)	(54,016)	380,437	(336,543)
Attributable to:	下列人士應佔:					
Owners of the parent	母公司所有者	(55,972)	(756,738)	(54,016)	398,968	(288,481)
Non-controlling interests	非控股權益	-	-	-	(18,531)	(48,062)
		(55,972)	(756,738)	(54,016)	380,437	(336,543)
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS	資產、負債及非控股權益					
Total assets	資產總值	3,763,258	4,178,556	4,772,624	4,514,263	4,384,075
Total liabilities	負債總值	(978,797)	(1,332,416)	(1,198,930)	(895,095)	(2,112,143)
Non-controlling interests	非控股權益	-	-	-	-	(539,427)
		2,784,461	2,846,140	3,573,694	3,619,168	1,732,505



PARTICULARS OF INVESTMENT PROPERTY

投資物業詳情

31 DECEMBER 2021

二零二一年十二月三十一日

Location	Use	Tenure	Attributable interest of the Group 本集團應佔權益
地點	用途	租期	
Unit B, 15/F, United Centre, 95 Queensway, Hong Kong 香港 金鐘道95號 統一中心 15樓B室	Office 辦公室	Vacant 空置	100%

CORPORATE INFORMATION

公司資料

DIRECTORS

Lai Weixuan (resigned on 1 April 2022)
 Huang Yongfeng (Chairman)
 (Chairman from 1 April 2022)
 Zhang Zhibiao (resigned on 30 August 2021)
 Jiao Yan (appointed on 30 August 2021)
 Yu Xiaodong (Chief Executive Officer)
 (Chief Executive Officer from 1 April 2022)
 Zhao Yang (Chief Executive Officer to 1 April 2022)
 Li Peiyin (appointed on 1 April 2022)
 Chow Wai Kam *
 Chu Yu Lin, David**
 Li Ka Fai, David**
 Zhang Ping**

* Non-executive Director

** Independent Non-executive Directors

AUDIT COMMITTEE

Chu Yu Lin, David (Chairman)
 Li Ka Fai, David
 Zhang Ping

REMUNERATION COMMITTEE

Chu Yu Lin, David (Chairman)
 Lai Weixuan (resigned on 1 April 2022)
 Li Ka Fai, David
 Yu Xiaodong (appointed on 1 April 2022)

NOMINATION COMMITTEE

Zhang Ping (Chairman)
 Huang Yongfeng
 Chu Yu Lin, David

PRINCIPAL BANKERS

Bank of China
 The Hongkong and Shanghai Banking Corporation Limited

AUDITORS

Deloitte Touche Tohmatsu
 Certified Public Accountants
 Registered Public Interest Entity Auditors

董事

賴偉宣 (於二零二二年四月一日辭任)
 黃勇峰 (主席)
 (於二零二二年四月一日獲委任主席)
 張志標 (於二零二一年八月三十日辭任)
 焦燕 (於二零二一年八月三十日獲委任)
 于曉東 (行政總裁)
 (於二零二二年四月一日獲委任行政總裁)
 趙揚 (於二零二二年四月一日辭任行政總裁)
 李培寅 (於二零二二年四月一日獲委任)
 周偉淦*
 朱幼麟**
 李家暉**
 張平**

* 非執行董事

** 獨立非執行董事

審核委員會

朱幼麟 (主席)
 李家暉
 張平

薪酬委員會

朱幼麟 (主席)
 賴偉宣 (於二零二二年四月一日辭任)
 李家暉
 于曉東 (於二零二二年四月一日獲委任)

提名委員會

張平 (主席)
 黃勇峰
 朱幼麟

主要銀行

中國銀行
 香港上海匯豐銀行有限公司

核數師

德勤•關黃陳方會計師行
 執業會計師
 註冊公眾利益實體核數師



CORPORATE INFORMATION

公司資料

LEGAL ADVISER

Michael Li & Co.
19/F., Prosperity Tower
No. 39 Queen's Road Central
Central, Hong Kong

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit B, 15th Floor, United Centre
95 Queensway, Hong Kong
(with effect from 11 April 2022)

SHARE REGISTRARS

Principal registrars

MUFG Fund Services (Bermuda) Limited
4th floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12, Bermuda

Hong Kong registrars

Computershare Hong Kong Investor Services Limited
Rooms 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai, Hong Kong

WEBSITE

www.cath.com.hk

STOCK CODE

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法律顧問

Michael Li & Co.
香港中環皇后大道中39號
豐盛創建大廈19樓

註冊辦事處

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10, Bermuda

總辦事處及主要營業地點

香港金鐘道95號
統一中心15樓B室
(自二零二二年四月十一日起生效)

股份過戶登記處

主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited
4th floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12, Bermuda

香港股份過戶登記處

香港中央證券登記有限公司
香港灣仔皇后大道東183號
合和中心17樓1712-1716室

網站

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股份代號

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Continental Aerospace Technologies Holding Limited
大陸航空科技控股有限公司