



Knutsford Terrace | 10

M

ANNUAL REPORT 2022 年報

38



金朝陽集團有限公司*
SOUNDWILL HOLDINGS LIMITED

於百慕達註冊成立之有限公司
Incorporated in Bermuda with limited liability
股份代號 Stock Code : 0878

*僅供識別 / for identification only

諾士佛臺十號
Knutsford
10

M
MIDTOWN
Soundwill Plaza II

Knutsford
Terrace 10





CONTENTS

- 2** Corporate Information
- 3** Financial Highlights
- 4** Chairman's Statement
- 6** Directors' Profile
- 8** Operations Review and Prospects
- 18** Management Discussion and Analysis
- 21** Corporate Governance Report
- 31** Environmental, Social and Governance Report
- 72** Report of the Directors
- 81** Major Properties Held as at 31 December 2022
- 82** Major Properties Under Development as at 31 December 2022
- 83** Five-Year Financial Summary
- 168** Independent Auditor's Report
- 176** Consolidated Statement of Profit or Loss and Other Comprehensive Income
- 179** Consolidated Statement of Financial Position
- 181** Consolidated Statement of Cash Flows
- 184** Consolidated Statement of Changes in Equity
- 188** Notes to the Consolidated Financial Statements

CORPORATE INFORMATION

(As of 23 March 2023)

Directors

Executive Directors:

FOO Kam Chu Grace

CHAN Wai Ling (*Deputy Chairman*)

CHAN Hing Tat (*Chairman*)

TSE Wai Hang

Independent Non-Executive Directors:

CHAN Kai Nang

PAO Ping Wing

NG Chi Keung (passed away on 8 March 2023)

Company Secretary

TSE Wai Hang

External Auditor

Deloitte Touche Tohmatsu

Registered Public Interest Entity Auditor

Internal Auditor

Crowe (HK) Risk Advisory Limited

Legal Advisors

Lo, Wong & Tsui

Conyers Dill & Pearman

Head Office and Principal Place of Business in Hong Kong

21/F, Soundwill Plaza

No. 38 Russell Street

Causeway Bay, Hong Kong

Registered Office

Clarendon House

2 Church Street

Hamilton HM 11, Bermuda

Principal Banks

Bank of China (Hong Kong) Limited

The Hongkong and Shanghai Banking Corporation Limited

Hang Seng Bank Limited

Bank of Communications Co., Ltd

Principal Share Registrar and Transfer Office

MUFG Fund Services (Bermuda) Limited

4th Floor North Cedar House

41 Cedar Avenue

Hamilton HM 12 Bermuda

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Standard Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

Share Information

Place of Listing

The Main Board of The Stock Exchange
of Hong Kong Limited

Stock Code

878

Board Lot

500 shares

Website

www.soundwill.com.hk

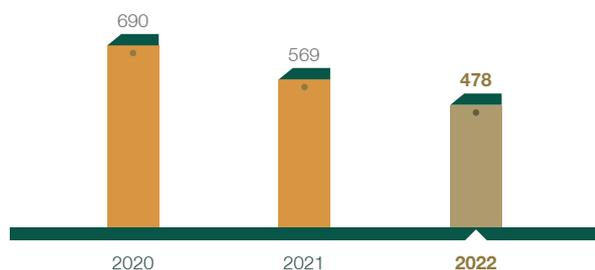
Investor Relations

E-mail: sw.ir@soundwill.com.hk

FINANCIAL HIGHLIGHTS

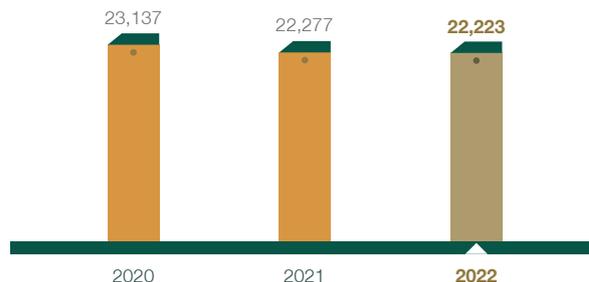
Group's Revenue

HK\$ million



Group's Total Asset

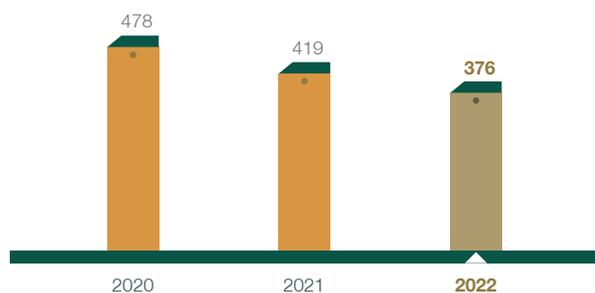
HK\$ million



Group's Revenue by Segments

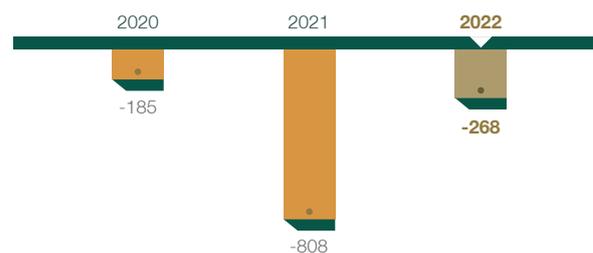
HK\$ million

Property Leasing



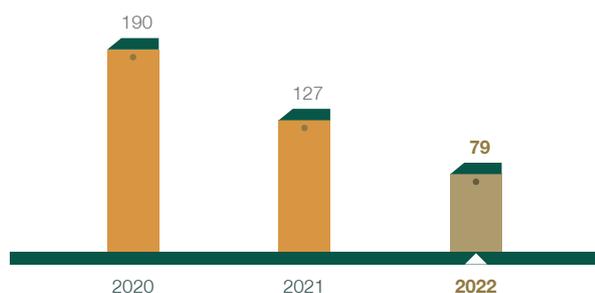
Loss Attributable to Owners of the Company

HK\$ million

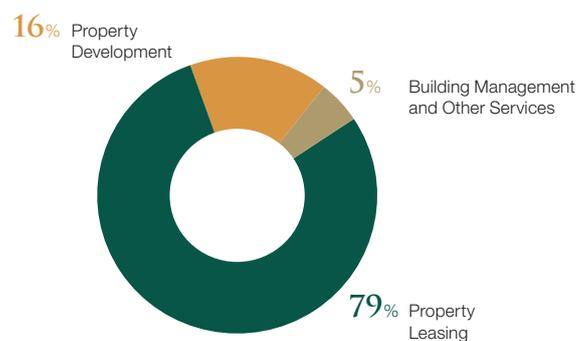


HK\$ million

Property Development

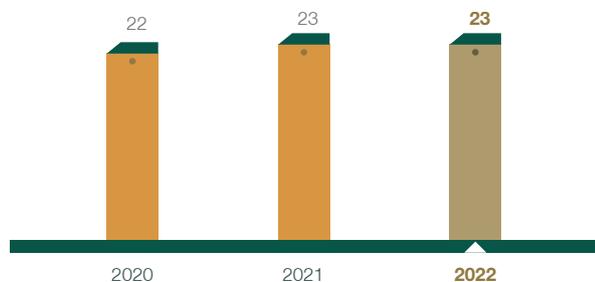


Group's Revenue Mix in Year 2022



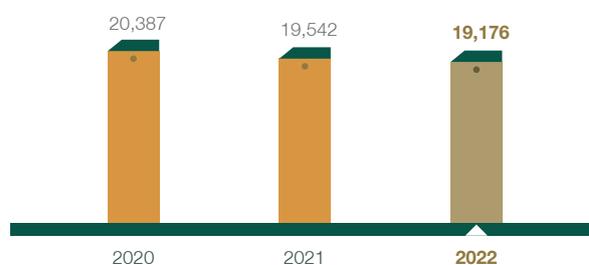
HK\$ million

Building Management and Other Services



Group's Net Asset Value

HK\$ million





CHAIRMAN'S STATEMENT

Dear Shareholders,

As the negative impacts of the pandemic began to wane over the past year, many governments around the world lifted the measures they had introduced to contain the spread of the virus. Nevertheless, the global economy was still fraught with uncertainty as geopolitical risks, including supply chain disruptions, rising inflation, interest rate hikes and the conflict between Russia and Ukraine, took a toll on the global economic recovery.

CHAIRMAN'S STATEMENT

Local economic activities and consumer sentiment were under renewed pressure in early 2022, when strict social distancing measures were again put in place as a result of the fifth wave of COVID-19. Together with concerns over substantial interest rate hikes, the resurgent pandemic affected the recovery of financial and property markets. Consequently, the economic rebound we expected in 2023 will probably take some time to gather momentum.

Due to the complicated macro environment and the continuous rental assistance programme, our leasing business and investment valuations came under stress in 2022, causing a decline in our overall rental income. Although the leasing market was hit hard by the lingering impact of the pandemic, we also saw signs of a reemergence of economic upturn as travel between Hong Kong and the Mainland resumed and the number of tourists visiting Hong Kong rebounded strongly. We believe that investor confidence and consumption, as well as our tenants' sales performance and the business environment as a whole, will gradually improve in 2023.

As society returns to normalcy, we have been enhancing our competitiveness by launching different innovative promotional campaigns through advanced technology and upgrading service quality. We have also been working closely with our tenants and business partners to roll out various promotional and marketing initiatives to stimulate foot traffic and the sales performance of our tenants. Additionally, we have been increasing our operating efficiency and taking advantage of new business opportunities.

During the year, the Group approved an agreement to offload the Haven Street project and continued to acquire ageing urban properties to strengthen our land reserves for future development. We believe that expanding our land reserves through effective acquisition strategies will enable us to generate long-term revenue for our shareholders and support community development. While property demand still largely hinges on interest rate hikes, the end-users' demand for property is resilient. During the year, we received a positive market response for the presale of iCITY, our latest industrial project in Kwai Chung. We also saw robust growth in our mini-storage business. Beyond this, we achieved further improvements in operating efficiency as a result of our effective marketing strategies, which helped to bring in additional revenue for the Group.

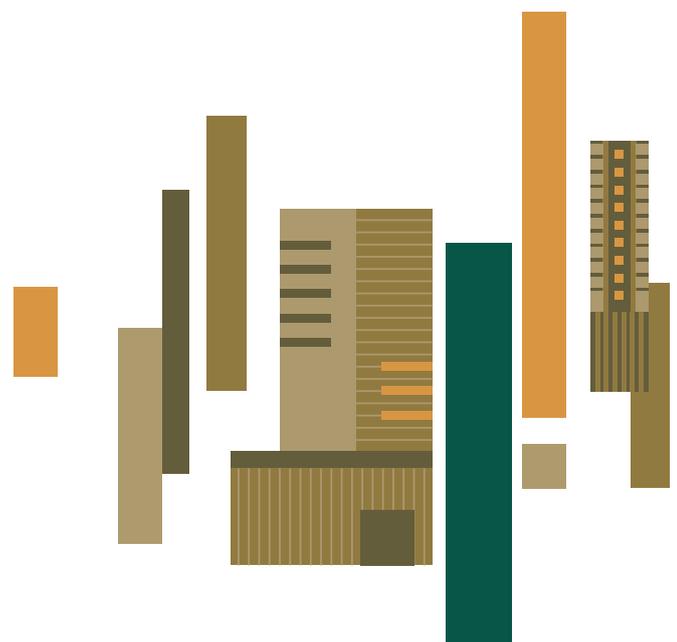
Despite the challenges that undoubtedly lie ahead, the Group will continue adhering to a policy of stringent fiscal discipline, especially as the global economic outlook remains uncertain and another interest rate hike cycle is likely. We will therefore focus on developing our property investments and sales operations to accelerate asset turnover. We will also continue to develop premium projects in a cost- and time-effective way with a view to creating steady cash flows for the Group.

With regard to our social responsibilities, we are committed to establishing a sustainable business operating model and caring programmes for the well-being of Hong Kong people. To that end, we make optimum use of the resources we use and encourage our people and those outside the Group to build a culture of environmental protection. During the year, the properties under the Group played an active role in reducing plastic waste and urged the public to adopt sustainable living habits. What's more, our volunteer team took part in a number of social service activities in support of non-profit organisations and the disadvantaged. As a result of these and other initiatives, we received the Caring Company award from The Hong Kong Council of Social Service for the eleventh consecutive year. We hope that in the year ahead we can contribute even more to the sustainable development of the community.

Finally, I would like to take this opportunity to extend my appreciation to all our staff, whose hard work and dedication have been instrumental in maintaining the quality and effectiveness of our services during this challenging period. I would also like to express my sincere thanks to all our shareholders, directors, customers and business partners for their unwavering support and trust in us. In the months ahead, I am confident that by standing strong together we can overcome any difficulties that may arise. By virtue of our financial strength, well-established core operations, outstanding portfolio and effective business strategies, I am confident that we can realise our goals and vision and generate greater profits in the year to come.

CHAN Hing Tat*Chairman*

Hong Kong, 23 March 2023



DIRECTORS' PROFILE

FOO KAM CHU GRACE

Aged 79, is the founder of the Group and an executive director of the Company and a director of certain subsidiaries of the Group. Madam Foo has extensive experience in the property market. She has been engaged in the property business in Hong Kong since early 1970s, particularly specialised in the acquisition of old buildings for redevelopment into commercial or residential buildings. Madam Foo is the mother of Ms. Chan Wai Ling, Deputy Chairman and executive director of the Company and Mr. Chan Hing Tat, Chairman and executive director of the Company.

CHAN WAI LING

Aged 52, is Deputy Chairman and executive director of the Company and a director of certain subsidiaries of the Group. She is in charge of the Hong Kong property department and is responsible for the property development and leasing of Hong Kong properties of the Group. She graduated from the University of Toronto, Canada with a bachelor degree in commerce and also obtained a Master of Business Administration Degree from University of Strathclyde, United Kingdom. Before joining the Group in September 1998, she had worked in an international property consultant firm and had operated her own property investment business. She is the daughter of Madam Foo, executive director of the Company and the sister of Mr. Chan, Chairman and executive director of the Company.

CHAN HING TAT

Aged 42, is Chairman and executive director of the Company and a director of certain subsidiaries of the Group. He joined the Group in 2004 and is mainly responsible for the Group's business development. He graduated from the Boston University, USA with a bachelor degree in psychology. Before joining the Group, he was engaged in his own IT business. He is the son of Madam Foo, executive director of the Company and the brother of Ms. Chan, Deputy Chairman and executive director of the Company.

TSE WAI HANG

Aged 57, was appointed as an executive director and company secretary of the Company on 1 September 2019 and 25 January 2019 respectively. He is the head of Legal Department of the Company and in charge of the legal and company secretarial department of the Group. He holds directorship in certain subsidiaries of the Group. Mr. Tse graduated from the University of Hong Kong with a bachelor's degree in laws. He is a qualified solicitor in Hong Kong. He has over 30 years working experience in the legal field.

DIRECTORS' PROFILE

CHAN KAI NANG

Aged 77, was appointed as an independent non-executive director of the Company on 11 March 2009, received a Postgraduate Diploma in Management Studies from The University of Hong Kong and Bachelor of Laws from the University of London. Mr. Chan is an associate member of The Chartered Institute of Management Accountants in the United Kingdom and The Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants in the United Kingdom. He is also a Chartered Global Management Accountant. Mr. Chan worked for more than 40 years as senior executive in major multinational and local corporations.

Mr. Chan was the executive director of Galaxy Entertainment Group Limited (formerly known as K. Wah Construction Materials Limited ("K. Wah Construction")) (0027.HK) from January 2003 to May 2008 and managing director of K. Wah Construction from April 2003 to May 2008. He served as an adviser of K. Wah Construction from May 2008 until his retirement in June 2014. The shares of the above-named company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Chan served as independent non-executive director of Prosperity International Holdings (H.K.) Limited (0803.HK) between 17 August 2010 to 26 September 2019 and FDB Holdings Limited (1826.HK) from 16 September 2015 to 12 January 2018. The shares of both companies are listed on the Main Board of the Stock Exchange. He was also served as independent non-executive director of Burwill Holdings Limited from 14 September 2020 to 11 August 2021. The shares of the above-named company were delisted from the Stock Exchange on 13 August 2021. He formerly was an independent

non-executive director of Asian Capital Holdings Limited (now known as Kingwisoft Technology Group Company Limited (8295.HK) and Steed Oriental (Holdings) Company Limited (8277.HK), the shares of both companies are listed on the GEM of the Stock Exchange.

Mr. Chan was an independent non-executive director of PanAsialum Holdings Company Limited (2078.HK) from 24 February 2017 until 24 January 2018, and has been re-appointed from 1 January 2020 as independent non-executive director. The shares of the above-named company are listed on the Main Board of the Stock Exchange.

PAO PING WING

Aged 75, was appointed as an independent non-executive director of the Company on 6 November 2009, received a Master of Science degree in Human Settlements Planning and Development from the Asian Institute of Technology in Bangkok, Thailand. Mr. Pao was elected as one of the Ten Outstanding Young Persons of Hong Kong in 1982 and one of the Ten Outstanding Young Persons of the World in 1983. He was also an ex-Urban Councillor. In the past years, he has been actively serving on government policy committees and statutory bodies, especially those of town planning, urban renewal, public housing, culture and arts and environment matters. Mr. Pao is an Honorary Fellow of The Hong Kong Institute of Housing. He is also an independent non-executive director of several other companies listed on the Main Board of the Stock Exchange including Oriental Enterprise Holdings Limited (formerly known as Oriental Press Group Limited) (0018.HK), Capital Environment Holdings Limited (3989.HK), Maoye International Holdings Limited (0848.HK) and Sing Lee Software (Group) Limited (8076.

HK), a company listed on the GEM of the Stock Exchange. He is also an independent non-executive director of Zhuzhou CRRC Times Electric Co., Ltd. (formerly known as Zhuzhou CSR Times Electric Co., Ltd.), which shares are listed on both the Main Board of the Stock Exchange and the Science and Technology Innovation Board of the Shanghai Stock Exchange (3898.HK, 688187.SSE). He formerly was also an independent non-executive director of Tonking New Energy Group Holdings Limited (formerly known as JC Group Holdings Limited) (8326.HK), which shares are listed on the GEM of the Stock Exchange.

OPERATIONS REVIEW AND PROSPECTS



OPERATIONS REVIEW AND PROSPECTS

Overview

In 2022, the global economy faced a number of severe challenges. One of the most serious of these challenges was conflict that erupted between Russia and Ukraine, which led to worldwide energy shortages and disrupted industrial production and supply chains. In the United States, the Federal Reserve raised interest rates aggressively in an effort to bring down inflation. Tightened monetary policies were also adopted by central banks, which created turmoil in globe investment markets and dampened prospects for a sustained business recovery.

In Hong Kong, social and economic activities declined during the fifth wave of COVID-19 early in the year. Along with measures designed to minimise the spread of the pandemic, Hong Kong's economy was hit hard by the deteriorating external business environment and interest rate hikes. Signs of an economic recovery began to appear, however, as COVID-19 came under control, social distancing measures were relaxed, and a new round of electronic consumption vouchers was introduced in support of local businesses. In the second half of the year, the improved unemployment rate and gradual easing of quarantine and inbound control measures also gave the economy and market sentiment a strong boost.

At the same time, investor sentiment remained cautious due to the slow recovery of certain industries and COVID-19. The Group's overall performance was thus dragged down, mainly as a result of pressures on shop rents and continuing rent support measures for tenants. Our major investment properties, including Soundwill Plaza, Soundwill Plaza II — Midtown and 10 Knutsford Terrace, recorded a drop in rental income. However, we believe the prime location and diversified tenant portfolios of our properties, together with the implementation of measures to revive the tourism industry and resumption of normal travel between Hong Kong and Mainland, will contribute to better revenue performance in 2023.

Taking advantage of the improved pandemic situation, we launched a number of marketing initiatives with local banks and business partners in 2022 to stimulate turnover and foot traffic. We also upgraded our corporate and property websites in order to consolidate the power of our big data, strong customer relationships and marketing expertise. In addition, we made improvements to our Soundwill Club mobile app by enhancing its interface and adding a restaurant reservation function. The new redemption function on this app was particularly popular among customers and contributed to a growth in membership.

OUR PROPERTIES



SOUNDWILL
PLAZA II —
MIDTOWN

1



SOUNDWILL
PLAZA





▶ 10 KNUTSFORD
TERRACE

3

i

4

▶ KAI KWONG
COMMERCIAL
BUILDING



▶ THE
SHARP

5

OPERATIONS REVIEW AND PROSPECTS

To grow the value of our assets, we continued to focus on the investment opportunities that arose during the year. These included a transaction agreement to dispose of the ownership we held in Haven Court, which enabled us to realise a reasonable return on this investment. The presale of iCITY, our latest industrial project, also received a positive market response early in the year. We will continue to replenish our land reserve through different channels in a timely manner, strengthen and diversify our business according to changes in the market environment, and enhance the synergy among our different operations.

As a responsible corporate citizen, we are committed to helping the less fortunate in society. During the year, we supported various non-profit organisations and encouraged our volunteer team to assist those in need. We also encouraged the tenants of our major investment properties to reduce their energy consumption and minimise the plastic they generate.

In 2022, we made considerable progress in our environmental, social and governance (ESG) performance, which included setting long-term carbon reduction goals, promoting a governance culture of transparency, and increasing staff training. By adhering to a strong corporate governance strategy, we believe we can not only add greater value to society but also create more sustainable, long-term returns for our stakeholders.

Property Portfolio

Under the negative impact of the pandemic and interest rate stress, the property market in Hong Kong remained bleak in 2022, as evidenced by low investor confidence and shrinking number of transactions completed. By the fourth quarter of the year, however, business activities began to rebound as social distancing measures and inbound travel controls were lifted. With improvements in consumer sentiment and the overall business environment, the property leasing market picked up. Nevertheless, the rise in rents failed to catch up with sales, and overall property rental growth remained under pressure. On the other hand, we will use the proceeds from the disposal of our ownership in Haven Court, which was approved by the Group at a special general meeting in October, for working capital and future development.

Property Assembly

Due to interest rate hikes and the lagging economy, property transactions in 2022 dropped significantly, which affected the pace of property assembly. Looking beyond 2022, we will continue to acquire older properties and invest in projects with high appreciation potential in order to regenerate Hong Kong's older districts. We will also elevate the quality of the buildings in these areas, improve their facilities and eliminate the structural risks of old buildings for the benefit of both new and existing owners. In addition, we will replenish our land reserves in a timely manner to capture business opportunities according to developments in the market.

OPERATIONS REVIEW AND PROSPECTS

Property Leasing

For the year ended 31 December 2022, the Group's property leasing business segment recognised revenue of approximately HK\$376,134,000 (2021: HK\$418,915,000), representing approximately 79% (2021: 74%) of the Group's total revenue for the year.

The Group's major investment properties, including Soundwill Plaza, Soundwill Plaza II — Midtown and 10 Knutsford Terrace, recorded a decrease in overall rental income. Our business performance was mainly affected by the retail shop business, which was dragged down by the pressure on rents and our rent support measures for tenants. However, since our diversified tenant portfolio is situated in prime locations across Hong Kong, we are confident that the government's tourism revival measures and the resumption of travel from the Mainland will contribute to the stability of our leasing operation.

Soundwill Plaza

Soundwill Plaza is located on Russell Street in the heart of Causeway Bay, one of Hong Kong's core shopping districts and a centre for international flagship brands. As a premium Grade A commercial building, Soundwill Plaza enjoys high footfall and convenient transport links.

Soundwill Plaza II — Midtown

Soundwill Plaza II — Midtown is located in Causeway Bay at 1 Tang Lung Street in a local hotspot for food and beverage and leisure activities.

10 Knutsford Terrace

10 Knutsford Terrace is located at 10–11 Knutsford Terrace, Tsim Sha Tsui, one of the most prominent tourist and leisure districts in Hong Kong.

Kai Kwong Commercial Building

Kai Kwong Commercial Building is an integrated commercial project located at 332–334 Lockhart Road, Wan Chai.

THE SHARP

Located at 11–13 Sharp Street East and 1–1A Yiu Wa Street in Causeway Bay, THE SHARP is an integrated commercial property project with space for retail, beauty, food & beverage and commercial businesses. The ground floor to the second floor are the Group's rental properties.

OPERATIONS REVIEW AND PROSPECTS

One Storage Management Company Limited

One Storage, a wholly-owned subsidiary of the Group, offers secure and comfortable storage space to customers as well as professional management services. The storage facility is equipped with fire safety devices that comply with the latest regulatory guidelines. The existing branches of One Storage are strategically located in key residential and industrial areas all over Hong Kong. By the end of 2022, the number of branches had grown to 40, and brought an increase in the leasable area and earnings. In 2023, the branch coverage will be increased progressively as additional shops will be opened in suitable locations, allowing more customers to enjoy the high-quality, professional storage services we offer.

During the year, One Storage launched various promotional campaigns tailored to different service users and cooperated with several business partners to enhance brand awareness. By leveraging on our mature marketing strategies and back-end management system, the team was able to help the Group enhance its business synergy and revenue.

Property Development

For the year ended 31 December 2022, the Group's property development business segment recognised revenue of approximately HK\$78,611,000 in the Mainland China (2021: HK\$127,048,000), representing approximately 16% (2021: 22%) of the Group's total revenue for the year.

Industrial Project

iCITY

iCITY is a new round-the-clock digital industrial landmark located at 111 Ta Chuen Ping Street, Kwai Chung. This 20-storey building provides 601 workshops in total, each with a gross floor area of about 335 square feet to 510 square feet on a typical floor. The estimated material date for this project is the fourth quarter of 2023.

Featuring advanced digital technology and a full curtain wall facade, iCITY is destined to become an iconic industrial project in the district.

Real Estate in the Mainland China

During the year, the property development and sales dropped significantly in Mainland China, as the debt crisis among property developers and large number of unfinished property projects gravely undermined market confidence. Following the principle that "houses are built to be inhabited, not for speculation", the property market in Mainland China also focused on "project delivery guarantee". In addition to the policies enacted by individual cities across the country, China's financial authorities optimised lending policies to ensure rational and stable development of the property market. The central government also defined the real estate sector "as a pillar of the national economy" at the end of the year. We expect that the relaxation of anti-epidemic measures and improvements in the general economy will give a further boost to the property market.

Grand Capital (Shan Shui Xiang Ri Hao Ting), the Group's project in Doumen District, Zhuhai, the Greater Bay Area, is currently in the stock clearance stage. At Lakeview Bay •VOGUE, an integrated project of the Group comprising villas and high-rise residences in Gaoyao District, Zhaoqing, all villas were sold out, with only a few high-rise residences left for sale. The sales performance was generally stable.

OPERATIONS REVIEW AND PROSPECTS

Building Management and Other Services

For the year ended 31 December 2022, the Group's building management business segment recognised revenue of approximately HK\$23,631,000 (2021: HK\$22,928,000), representing approximately 5% (2021: 4%) of the Group's total revenue for the year.

Goldwell Property Management Limited

Goldwell Property Management Limited, a subsidiary of the Group, specialises in high-quality property management and maintenance as well as facilities management services for A-Grade large-scale commercial buildings, industrial buildings and small- and medium-sized estates. Its highly experienced building management team which has achieved ISO9001, ISO14001 and ISO45001 certifications for the Group's properties. To improve the quality of its property management, customer and maintenance services, the building management team conducts regular internal assessments. The latest technology is also utilised to improve service quality. In addition to serving the Group's existing properties, the team has begun bidding for different property and facility management projects to expand its business portfolio.

An environmental management and energy saving team has also been established to reduce carbon emissions and ensure compliance with government environmental policies. In addition, this team is responsible for implementing energy-saving measures and setting appropriate strategies and annual targets for improving energy efficiency. In future, Goldwell Property Management will cooperate with the government to implement municipal solid waste charging and assist all stakeholders in reducing their waste at source as well as sorting and recycling waste. During the COVID-19 pandemic, the building management team provided regular training to staff on how to combat the spread of the virus. Measures implemented included applying photocatalyst coating technology in our buildings, providing contact-free equipment and air purifiers, and using internationally certified sanitizing spray. Robots were also introduced for delivering meals and packages. The team continued to improve its management services throughout the year by regularly reviewing the needs of customers, tenants, business partners and employees in order to provide a safe, worry-free living and working environment.

Soundwill Club

Soundwill Club is a popular one-stop platform for distributing marketing and promotional materials among the major investment properties of the Group. During the year, the Group's marketing team used data analysis to provide customers with tailored products and services and maintain customer loyalty during the pandemic. Soundwill Club also offered additional services, such as restaurant reservation and greater accessibility for customers with special needs.

OPERATIONS REVIEW AND PROSPECTS

Corporate Citizenship

We are committed to sustainability as one of the vital elements in our development and operation, and strive to create a positive impact on the environment and community in our daily operation. In addition to setting up an environmental management system, we have established long-term carbon reduction goals for our major investment properties. We have also optimised our facilities and equipment and reduced plastic waste in line with our commitment to enhance sustainability and protect the environment.

To help society and people in need, we promote social investment by making use of our professional capabilities and resources. During the year, our Soundwill Volunteer Team helped the disadvantaged through activities that included providing support for non-profit organisations, paying visits and helping underserved students via workplace internship. To reduce waste, we recycle different types of materials and offer the use of our properties to green groups for their recycling activities. We also publish an annual Environmental, Social and Governance report, with key performance indicators, to disclose our efforts to meet our sustainability targets and increase corporate transparency.

In recognition of our sustainability performance, the Group and its subsidiaries received the Caring Company award from the Hong Kong Council of Social Service, the Industry Cares Recognition Scheme award and BOCHK Corporate Environmental Leadership Awards during the year. In addition to these awards, we received a number of environmental and accessibility certifications for our property projects. The Group will continue to create value for the society and serve the people in need.

Prospects

The path to economic recovery in the coming year will be undoubtedly challenging as the global financial market and supply chain will continue to be affected by the uncertainties of high inflation, monetary tightening and geopolitical risks. We believe that in the year ahead Hong Kong will benefit from the reopening of the boundary with Mainland China and that interest rate hikes in the United States will not have a material adverse impact on the local economy.

With the full resumption of normal travel and the return to a state of normalcy, investor confidence in Hong Kong should be restored. The local and global economic recovery will likely gather pace, with small- and medium-size enterprises expected to relaunch their business expansion plans. The improvement in tourism demand and consumer sentiment will also benefit Hong Kong's business environment and support a cyclical economic recovery, which could significantly improve our potential economic growth and revaluation results.

However, property investors will probably remain conservative due to rising borrowing costs and concerns over inflation and a potential global economic downturn. As the impact of the pandemic weakens and the economic recovery continues, we believe the profound industrial adjustments we have witnessed are coming to an end and the market will finally bottom out. This, along with government reforms on the acquisition of old premises, give us confidence in our property investment and development operations. We will also continue to monitor the local property market and take appropriate measures to enrich our land reserves.

OPERATIONS REVIEW AND PROSPECTS

In our leasing operation, the market has become active again thanks to the lifting of travel restrictions between Hong Kong and the Mainland. We are particularly happy to see the rebound in the consumer market, which will facilitate the recovery of Hong Kong's tourism and retail sectors. The prime locations and outstanding tenant portfolio of our properties, coupled with our proactive promotional campaigns, will help our properties attract more local and foreign visitors and contribute to a turnaround in our business performance.

Although the economy this year is better than that of the previous year, we must still closely monitor the stability of the economic rebound in the post-pandemic era, particularly as the foundation for economic recovery requires further consolidation. We will also use our business acumen and take pre-emptive action to capitalize on business opportunities that arise from the recovery of the local and global markets. The Group will also explore different means of investment into other business and venture to broaden and increase returns of its available funds and resources. In addition to property related business and venture, the Group may also invest into other business and venture should the opportunities arise. Against this backdrop, the Group will make every effort to continue building on its past successes, achieve better performance and maximise future returns for our investors.

MANAGEMENT DISCUSSION AND ANALYSIS

Loss Attributable to Owners of the Company

During the year, the Group has recorded a loss attributable to owners of the Company of approximately HK\$268,201,000 (2021: HK\$807,930,000), a decrease in loss of 66.8% as compared with last year. The decrease in loss was mainly due to valuation loss on investment properties of HK\$464,274,000 (2021: HK\$1,077,458,000) was recorded as of 31 December 2022.

Net Assets

The net assets of the Group as at 31 December 2022 amounted to HK\$19,175,634,000 (2021: HK\$19,541,700,000). Net asset value per share as at 31 December 2022 is HK\$67.7 (2021: HK\$69.0).

Financial Resources and Liquidity

As at 31 December 2022, the Group's cash and bank balances (including short-term bank deposits and cash and cash equivalents) amounted to HK\$1,394,944,000 (2021: HK\$1,136,539,000). Total borrowings of the Group amounted to HK\$1,774,527,000 (2021: HK\$1,871,501,000) as at 31 December 2022.

As at 31 December 2022, the Group's gearing ratio (which was expressed as a percentage of total borrowings over total equity) was 9% (2021: 10%).

The Group mainly operates and invests in Hong Kong and the Mainland China with most of the transactions denominated and settled in Hong Kong Dollars and Renminbi respectively. Therefore, any Mainland China operations are translated from RMB into Hong Kong dollars at the year end date and the exchange differences will be reflected in the consolidated income statement at average rate and exchange reserve in other comprehensive income at closing rate. During the year, the Group did not engage in any derivative activities or use any financial instruments to hedge its balance sheet exposures.

Acquisition and development of properties are financed partly by internal resources and partly by bank borrowings. Repayment of bank loans are scheduled to match asset lives and project completion dates. Borrowings are denominated in Hong Kong Dollars and bear interest at floating rates.

Significant Investments Held

Save as those disclosed under the sections headed "Operations Review and Prospects" and "Management Discussion and Analysis", the Group did not have any significant investment during the financial year ended 31 December 2022.

Material Acquisition and Disposals of Subsidiaries, Associates and Joint Ventures

On 9 August 2022, Wonder Earning Limited, an indirect wholly-owned subsidiary of the Company (the "Seller"), Tang Lung Investment Properties Limited, an indirect wholly-owned subsidiary of the Company (the "Seller Guarantor"), United Endeavors Limited (the "Purchaser") and Tsui Yee, the ultimate beneficial owner of the Purchaser (the "Purchaser Guarantor"), entered into a sale and purchase agreement (the "SPA"), pursuant to which the Seller has conditionally agreed to sell and assign, and the Purchaser has conditionally agreed to purchase and take assignment of, the entire issued share capital of Linking Smart Limited (the "Target Company") and the entire shareholders loan owed by the Target Company to the Seller at a consideration of HK\$3,208,815,000, subject to adjustments (the "Disposal"). The Target Company is the indirect beneficial owner of property units in Haven Court.

MANAGEMENT DISCUSSION AND ANALYSIS

In the special general meeting of the Company held on 20 October 2022, ordinary resolution was duly passed by the shareholders of the Company by way of poll to approve the Disposal.

Details of the Disposal are set out in the announcement of the Company dated 11 August 2022 and the circular of the Company dated 23 September 2022.

In 2022, the Group entered into certain sales and purchases agreements to dispose the entire equity interests in certain other wholly-owned subsidiaries of the Group (collectively the “Disposed Subsidiaries”) to different independent third parties at an aggregate total consideration of HK\$95,300,000. The disposal of Disposed Subsidiaries were completed during the year ended 31 December 2022.

Save as disclosed above, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group for the year ended 31 December 2022.

Events After Reporting Period

On 19 January 2023, the Seller, the Purchaser, the Seller Guarantor and the Purchaser Guarantor entered into a supplemental agreement (the “Supplemental Agreement”) to the SPA (defined as above), pursuant to which the Seller agreed to extend the date of the Purchaser’s payment of the further deposit of HK\$320,881,500 (the “Further Deposit”) for six 6 months from 9 February 2023 to 9 August 2023 with agreed interest of HK\$11,200,083 to be paid and paid on 8 February 2023.

Details of the Supplemental Agreement are set out in the announcement of the Company dated 19 January 2023.

Pledge of Assets

As at 31 December 2022, certain investment properties and property, plant and equipment of the Group with a total carrying value of approximately HK\$12,661,647,000 (31 December 2021: approximately HK\$12,796,497,000) were pledged to secure banking facilities for the Group.

CONTINGENT LIABILITIES

As at 31 December 2022, the Group provided guarantees amounted to approximately HK\$51,166,000 (2021: HK\$90,564,000) to banks with respect to mortgage loans procured by the purchasers of the Group’s properties. Such guarantees will be released by banks upon delivery of the properties to the purchasers and completion of the registration of the mortgage with the relevant mortgage registration authorities or settlement of the outstanding mortgage loan. In the opinion of the Directors, the fair value of the financial guarantee is not significant.

Employees Remuneration

The Group employed an annual average of 308 people and 36 people in Hong Kong and Mainland China respectively for the year (2021: 263 and 40 employees). Employees were remunerated on the basis of their performance, experience and market practice. Remuneration packages comprise salary, medical insurance, mandatory provident fund and year end discretionary bonus. Total salaries and wages incurred in 2022 were approximately HK\$141,455,000 (2021: HK\$128,540,000) and no share option expenses (2021: Nil) during the year.

CORPORATE GOVERNANCE REPORT

The board (the “Board”) of directors (the “Directors”) of Soundwill Holdings Limited (the “Company”) and its subsidiaries (the “Group”) is pleased to present this Corporate Governance Report for the year ended 31 December 2022 of the Company.

Corporate Governance Practices

The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Board recognises that strong corporate governance is pivotal to the Group’s corporate success and long-term sustainable growth. The Company is committed to maintaining a high standard of corporate governance practices that are designed to enhance corporate image, boost Shareholders’ confidence, and reduce the risk of fraudulent practices and ultimately serve the long-term interests of our Shareholders.

The Company has complied with the applicable code provisions set out in the CG Code during the year ended 31 December 2022 in all other respects except for the following deviation:

Code Provision C.2.1

Code provision C.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The roles of the chairman and chief executive officer are neither separated nor performed by two different individuals. Madam Foo Kam Chu Grace is the founder and the Chairman of the Group. She is responsible for the Group’s overall development direction and strategies. Upon Madam Foo Kam Chu Grace ceasing to be the Chairman of the Group, Mr. Chan Hing Tat has held the position of the Chairman of the Group with effect from 30 January 2023. The Chairman ensures the Board functions effectively and discharges its responsibilities. There is no chief executive officer appointed and the daily operations of the Group are delegated to other executive directors and various department heads with clearly defined authority policy. The Board is of the view that the current management structure can effectively facilitate the Group’s operation and business development.

Corporate Purpose, Value, Strategy and Culture

The Board leads and promotes to establish and continually reinforce the desired corporate culture of the Company which is underpinned by our corporate values of committing high standard of business ethics and integrity. Our sound corporate culture reaches all levels of the Group, and aligns with the Company’s missions, corporate values and strategies.

Throughout the year of 2022, we continued to strengthen and focus on the following areas to achieve our corporate purpose and value: business expansion, customer satisfaction, operational safety and efficiency, environmental protection through various initiatives set out in the Chairman’s Statement, Operation Review and Prospects, Management Discussion and Analysis and Environmental, Social and Governance Report in this annual report.

CORPORATE GOVERNANCE REPORT

Board of Directors**Responsibilities, Accountabilities and Contributions of the board and Management**

The Board is responsible for overseeing the Group's businesses, strategic decisions and performance. The management has been delegated the authority and responsibility by the Board for the operations of the Group. In addition, the Board has also delegated various responsibilities to the Board committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee. Further details of these committees are set out in this report. The Board is responsible for performing the corporate governance functions set out in code provision A.2.1 of the CG Code.

All Directors shall ensure that they carry out duties in good faith, in compliance with the standards of applicable laws and regulations, and act in the interests of the Company and its shareholders at all times.

Board Composition

The Board is composed of the following Directors who, unless otherwise indicated, served throughout the year under review and up to the date of this report:

Executive Directors:

Madam Foo Kam Chu Grace (ceased as Chairman on 30 January 2023)
 Ms. Chan Wai Ling (*Deputy Chairman*)
 Mr. Chan Hing Tat (*Chairman*) (appointed as Chairman on 30 January 2023)
 Mr. Tse Wai Hang

Independent Non-Executive Directors:

Mr. Chan Kai Nang
 Mr. Pao Ping Wing
 Mr. Ng Chi Keung (passed away on 8 March 2023)

Board Meetings and Attendance

During the year, the attendance records of each Director at the Board meetings and general meeting of the Company are as follows:

Directors	Attendance/ Number of Board meetings	Attendance/ Number of general meetings
<i>Executive Directors:</i>		
Madam Foo Kam Chu Grace (ceased as Chairman on 30 January 2023)	3/4	0/2
Ms. Chan Wai Ling (<i>Deputy Chairman</i>)	4/4	2/2
Mr. Chan Hing Tat (<i>Chairman</i>) (appointed as Chairman on 30 January 2023)	4/4	2/2
Mr. Tse Wai Hang	4/4	2/2
<i>Independent Non-Executive Directors:</i>		
Mr. Chan Kai Nang	4/4	2/2
Mr. Pao Ping Wing	4/4	2/2
Mr. Ng Chi Keung (passed away on 8 March 2023)	4/4	2/2

The biographical information of the Directors and relevant relationships among the Directors are set out under "Directors' Profile" on pages 6 to 7.

CORPORATE GOVERNANCE REPORT

Independent Non-Executive Directors

During the year, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing one-third of the Board, with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise as required under rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules.

The Company has received written annual confirmation of independence from each independent non-executive Director in accordance with rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all the independent non-executive Directors are independent within the definition of the Listing Rules.

Following the passing away of Mr. Ng Chi Keung on 8 March 2023, who was an independent non-executive Director, a chairman of the Audit Committee and a member of the Remuneration Committee, the composition of the Board comprises four executive Directors and two independent non-executive Directors and hence the number of independent non-executive Directors and members of the Audit Committee has fallen below the minimum number required under Rules 3.10(1) and 3.21 of the Listing Rules. The Board will use its best endeavours to appoint a suitable candidate to fill the vacancy as soon as practicable and in any event within three months from the date of passing away of Mr. Ng Chi Keung pursuant to Rules 3.11 and 3.23 of the Listing Rules.

Appointment, Re-election and Removal of Directors

Code Provision B.2.2 of the CG Code stipulates that every director (including those appointed for a specific term) should be subject to retirement by rotation at least every three years. Each independent non-executive Director are not appointed for a specific term.

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

Any further appointment of an independent non-executive Director, who has served the Board for more than nine years, shall be subject to a separate resolution to be approved by the shareholders of the Company in accordance with code provision B.2.3 of the CG Code.

Access to Information by Directors

In respect of regular Board meetings, and so far as practicable in all other cases, an agenda and accompanying Board papers are sent to all Directors in a timely manner. Notice of at least 14 days is given for a regular Board meeting to give all Directors an opportunity to attend. For all other Board meetings and Board committee meetings, reasonable notice is given.

All Directors are entitled to have access to Board papers, minutes and related materials at all times. During the year, all Directors have been provided with the Group's management information updates to keep them informed of the Group's affairs and facilitate them to discharge their duties under the Listing Rules.

Chairman and Chief Executive Officer

During the year ended 31 December 2022, Madam Foo Kam Chu Grace is the Chairman of the Group and her responsibilities are clearly defined and set out in writing. No chief executive officer was appointed during the year.

Upon Madam Foo Kam Chu Grace ceasing to be the Chairman of the Group, Mr. Chan Hing Tat has held the position of the Chairman of the Group with effect from 30 January 2023.

CORPORATE GOVERNANCE REPORT

Board Committees

Audit Committee

Following the passing away of Mr. Ng Chi Keung on 8 March 2023, the Audit Committee comprises two independent non-executive Directors, namely Mr. Chan Kai Nang and Mr. Pao Ping Wing. Mr. Chan Kai Nang possess professional accountancy qualifications. The Board is in the process of identifying a suitable replacement for the aforesaid office.

The Audit Committee has specific written terms of reference which are of no less exacting terms than those stipulated in the code provisions. It is responsible for reviewing with management, the accounting principles and practices adopted by the Group and discuss auditing, internal control systems, risk management, internal audit and financial reporting including the interim and final results of the Company. It also acts as an important link between the Board and the Company's external and internal auditors in matters within the scope of the external and internal audit of the Group respectively. To enhance their right to access records and to be informed, and to have effective and direct communications with the Board and so to report their findings from time to time, the external and internal auditors would be invited to attend the meetings of the Audit Committee.

During the year, the Audit Committee met three times with attendance shown below. The final results for the year ended 31 December 2021, the interim results for the six months ended 30 June 2022, the internal audit plan and the report from the management on the Company's internal control systems and risk management have been reviewed by the Audit Committee during the year.

Audit Committee members	Attendance/ Number of meetings
Mr. Ng Chi Keung (<i>Chairman</i>) (passed away on 8 March 2023)	3/3
Mr. Chan Kai Nang	3/3
Mr. Pao Ping Wing	3/3

Remuneration Committee

Following the passing away of Mr. Ng Chi Keung on 8 March 2023, the Remuneration Committee comprises two independent non-executive Directors, namely Mr. Chan Kai Nang and Mr. Pao Ping Wing, and Ms. Chan Wai Ling, Deputy Chairman and executive Director.

Its functions are to make recommendations to the Board on the Company's policy and structure for all Directors' remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy. The Remuneration Committee reviews and approves the Directors' remuneration proposals with reference to the Board's corporate goals and objectives, and also determines with delegated responsibility, the remuneration packages of individual executive directors and senior management. The Remuneration Committee reviews matters relating to share schemes under Chapter 17 of the Listing Rule, if necessary.

The remuneration policy is to establish formal and transparent procedures for evaluation, determination and review of remuneration related matter of the Group. In determining the remuneration levels and packages of the Directors and senior management, the Company took into account of the market practices and trends to reflect on the time commitments, duties and responsibilities and performance of the Directors and senior management and their contributions to the Group. Long-term inducements in the form of share options and performance bonuses were also employed.

CORPORATE GOVERNANCE REPORT

During the year, the Remuneration Committee held one meeting (attendance as shown below) to review and determine (with the relevant Directors where applicable abstained from voting as far as his/her own remuneration is concerned so that no Director would decide on his/her own remuneration) the remuneration package of individual executive Directors and make recommendations to Board on remuneration of non-executive Directors.

Remuneration Committee members	Attendance/ Number of meetings
Mr. Chan Kai Nang (<i>Chairman</i>)	1/1
Mr. Pao Ping Wing	1/1
Mr. Ng Chi Keung (passed away on 8 March 2023)	1/1
Ms. Chan Wai Ling	1/1

Nomination Committee

Upon Madam Foo Kam Chu Grace ceasing to be chairman of the Nomination Committee, Mr. Chan Hing Tat has held the position of chairman of the Nomination Committee with effect from 30 January 2023. The Nomination Committee comprises two independent non-executive Directors, namely Mr. Chan Kai Nang and Mr. Pao Ping Wing, and Mr. Chan Hing Tat, the Chairman and executive Director.

The responsibilities of the Nomination Committee include reviewing the structure, size and composition of the Board; identifying individuals suitably qualified to become members of the Board and selecting or making recommendations to the Board on selection of individuals nominated for directorship; assessing the independence of independent non-executive directors; making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman; and determining the policy for nomination of Directors.

The Company has adopted a policy for nomination of directors ("Nomination Policy"). The Nomination Policy currently adopted by the Company sets out the guidelines and procedures for the Nomination Committee to identify and evaluate a candidate for nomination and recommendation to the Board for appointment or re-appointment of Directors of the Company. There are various factors and criteria, including but not limited to relevant skills, experience, professional expertise and qualification, breadth of relevant knowledge, integrity and reputation, willingness to commit and ability to devote sufficient time and to assume the fiduciary duties and responsibilities, the Nomination Committee will consider when evaluating a candidate with due regard to the requirements of Group, board succession planning, and relevant policies adopted by the Group. The ultimate responsibility for selection and appointment of Directors remains vested with the Board.

The procedures for identifying and evaluating a candidate would be conducted by the Nomination Committee through a fair and objective process that complies with all applicable laws and regulations, with liberty for the Nomination Committee to make its own inquiries and verification. The Nomination Committee will make recommendation and proposal to the Board for consideration. The Nomination Committee is required to regularly review the Nomination Policy and to monitor the implementation and effectiveness of the Nomination Policy and report to the Board, and has done so during the year.

CORPORATE GOVERNANCE REPORT

During the year, the Nomination Committee held one meeting with attendance shown below:

Nomination Committee members	Attendance/ Number of meetings
Madam Foo Kam Chu Grace (<i>Chairman</i>)	1/1
Mr. Chan Kai Nang	1/1
Mr. Pao Ping Wing	1/1

Training and Continuous Professional Development of Directors

Every newly appointed Director is ensured to have a proper understanding of the operations and business of the Group and that he/she is fully aware of his/her responsibilities under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements and the business and governance policies of the Company. The Directors are continually updated with legal and regulatory developments, business and market changes and the strategic development of the Group to facilitate the discharge of their responsibilities.

As part of the ongoing process of Directors' training, the Company Secretary continuously updates all Directors on latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance of the same by all Directors. All Directors are encouraged to attend external forum or training courses on relevant topics which may count towards continuous professional development training.

All Directors confirmed that they have complied with the code provision C.1.4 of the CG Code on Directors' training. This is to ensure that their contribution to the Board remains informed and relevant. During the year, all Directors have participated in appropriate continuous professional development activities either by attending training courses or by reading materials relevant to the Company's business and to the Directors' duties and responsibilities.

Directors	Directors' continuous professional development	
	Attending training course(s)	Reading of relevant material(s)
Madam Foo Kam Chu Grace (ceased as Chairman on 30 January 2023)	N/A	✓
Ms. Chan Wai Ling (<i>Deputy Chairman</i>)	N/A	✓
Mr. Chan Hing Tat (<i>Chairman</i>) (appointed as Chairman on 30 January 2023)	N/A	✓
Mr. Tse Wai Hang	✓	✓
Mr. Chan Kai Nang	✓	✓
Mr. Pao Ping Wing	N/A	✓
Mr. Ng Chi Keung (passed away on 8 March 2023)	N/A	✓

CORPORATE GOVERNANCE REPORT

Company Secretary

Company Secretary advises the Board on all corporate governance matters and facilitates professional development of Directors.

Mr. Tse Wai Hang (“Mr. Tse”) was appointed as the Company Secretary of the Company on 25 January 2019. Mr. Tse graduated from the University of Hong Kong with a bachelor’s degree in laws. He is a qualified solicitor in Hong Kong and has over 30 years working experience in the legal field. Mr. Tse undertook over 15 hours of relevant professional training during 2022.

Code for Securities Transactions of Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules. Having made specific enquiries with all Directors, the Company confirms that all of them have complied with the Model Code throughout the year.

The Company has also adopted the written guidelines on no less exacting terms than the Model Code for those relevant employees (as defined in the CG Code) in respect of their dealings in the securities of the Company in compliance with the Code Provision C.1.3 of the CG Code.

Auditor’s Remuneration

During the year, the fee incurred for audit and non-audit services for the Group are approximately HK\$3,086,000 (2021: HK\$3,084,000) and HK\$1,250,000 (2021: HK\$600,000) respectively. The non-audit services relating to the Company’s very substantial transactions and tax advisory service.

Directors’ Responsibility for Financial Statements

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group and presenting a balanced, clear and comprehensive assessment of the Group’s performance and prospects. The Directors are not aware of any material events or conditions that may cast doubt upon the Company’s ability to continue as a going concern.

Risk Management and Internal Control

The Board is responsible for maintaining an appropriate and effective risk management and internal control systems to safeguard the Group’s assets and shareholders’ interests. In order to comply with the applicable code provisions set out in the CG Code, the Board reviewed the effectiveness of risk management and the internal control systems of the Group covering material controls, including financial, operational and compliance controls and risk management functions.

The Board has retained Crowe (HK) Risk Advisory Limited, an independent professional firm, to carry out the Group’s internal audit function (the “Internal Auditor”) as required by the Stock Exchange and to perform an annual review with a view to making a report to the Board about the evaluation on the effectiveness of the Group’s risk management and internal control systems for the year ended 31 December 2022.

CORPORATE GOVERNANCE REPORT

During the year, the Group has reviewed the internal audit charter which defined the scope and the duties and responsibilities of the internal audit function and its reporting protocol. A Risk Management Working Group (the “RMWG”) has coordinated risk management activities and reported to the Board. The Group has evaluated the annual risk assessment which identified respective strategic risks, operational risks, financial risks and compliance risks of the Group. Based on the risk assessment results, an internal audit plan was devised which prioritized the risks identified into annual audit projects. The risk management and internal control systems provide reasonable, but not absolute, assurance against material misstatement or significant loss and they are designed to manage rather than eliminate the risk of failure in the Group’s operational systems to achieve the Group’s business objectives. The Group has reviewed by means of formally updating the internal control policies and procedures with the view to ensuring an appropriate internal control system in the Group. An internal audit review for financial year 2022 has been conducted by Internal Auditor. After their review as stipulated in the Internal Auditor’s report, the Group has taken further steps to enhance its risk management and internal control systems in response to Internal Auditor’s recommendations and to strengthen the implementation of the risk management and internal control systems. No significant or material finding/internal control weakness of the Group was identified for the year ended 31 December 2022.

The Company has established policy on handling and dissemination of inside information in an accurate and secure manner that can avoid possible mishandling of inside information within the Group.

Based on the results of the risk assessments of the RMWG and the Internal Auditor’s report, the Board is of the view that the Company has maintained adequate and effective risk management and internal control to safeguard shareholders’ investments and assets during the year, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company’s accounting, internal audit and financial reporting functions.

Board Diversity Policy

A board diversity policy (the “Board Diversity Policy”) has been adopted by the Company. Diversity of Board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. In informing its perspective on diversity, the Company will also take into account aspects based on its own business model and specific needs from time to time.

As at 31 December 2022, the Board had 7 directors and a male to female gender ratio of 2.5 : 1.0. The gender diversity target set for the Board is to have at least one director of each sex when the total number of directors does not exceed 10. The Board will maintain such gender diversity through applying its Board Diversity Policy. The Company and its Nomination Committee would take into account diversity perspectives including gender diversity in assessing potential Board member candidates. The Board is also characterized by significant diversity, whether considered in terms of gender, age, educational background, professional experience, skills, knowledge and length of service. Following the passing away of Mr. Ng Chi Keung on 8 March 2023, the Company had a total of six Directors, two of them are independent non-executive Directors as at the date of this report. The Company will endeavor to identify a suitable candidate to fill the vacancy of independent non-executive Director in order to fulfill the requirements of the Listing Rules as soon as practicable.

As at 31 December 2022, the percentage of male and female in the workforce of the Group in Hong Kong (including the senior management) is 69% and 31%, respectively. The Company sets a gender diversity ratio of male to female at no greater than 3 : 1 in Hong Kong. The Company will continue to take into account of diversity perspectives including gender diversity in its recruitments, and so to attain and maintain such gender diversity target. Approximately 75% of the workforce of the Group is engaged for the building management business. In building management business, most practitioners are male. Consequentially, the gender ratio of the building management workforce of the Group would have materially impact on the gender ratio of the workforce of the Group.

CORPORATE GOVERNANCE REPORT

The Nomination Committee reviews the Board Diversity Policy on an annual basis to ensure its continued effectiveness. During the year, the Nomination Committee has reviewed the structure, size and composition of the Board including the skills, knowledge and experience of Directors as well as role and function of each Director, assessed the independence of independent non-executive directors pursuant to rule 3.13 of the Listing Rules, assessed sufficiency of time spent by Directors on the matters of the Company and in discharging their duties and on the affairs of the Group, and reviewed the training and support to Directors and considered re-election of retiring Directors. The Nomination Committee has provided its assessments, findings and recommendations to the Board for it to make the relevant resolutions.

Shareholders' Rights

(I) Procedures for Shareholders to Convene a Special General Meeting

A special general meeting shall be convened on the requisition of one or more shareholders of the Company holding, at the date of deposit of the requisition, not less than one-tenth of the paid-up capital of the Company. Such requisition shall be made in writing to the Board or the Company Secretary of the Company at the Company's head office and principal place of business in Hong Kong.

Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) may convene such meeting, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed by the Company.

(II) Procedures for which enquiries may be put to the Board

Shareholders may at any time send their enquiries to the Board in writing at the Company's head office and principal place of business in Hong Kong.

(III) Procedures for Putting Forward Proposals by Shareholders at Shareholders' Meeting

The number of members necessary for a requisition for putting forward a proposal at a general meeting shall be:

- (a) any number of members representing not less than one-twentieth of the total voting rights of all the members having at the date of the requisition; or
- (b) not less than one hundred members.

A copy or copies of requisition signed by all requisitionists shall be deposited, with a sum reasonably sufficient to meet the Company's expenses in giving notice of the proposed resolution or circulating any necessary statement, at the Company's head office and principal place of business in Hong Kong in case of:

- (a) a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
- (b) any other requisition, not less than one week before the meeting.

The Company will verify the requisition and upon confirming that the requisition is proper and in order, the Board will proceed with the necessary procedures.

CORPORATE GOVERNANCE REPORT

Communication with Shareholders and Investor Relations

The Group believes that effective communication with shareholders is key for improving investor relations and will ultimately assist the investment community in understanding the Group's business performance and strategies. Through regular, comprehensive, and interactive communication, we strive to enhance communication with investors through various communication channels. These include in-person meetings, telephone conferences, overseas roadshows, and project-site visits organised for the community. The Group seeks to establish a trusting and productive relationship with its shareholders and investors. The annual general meeting of the Company was held in May 2022. The Group organised briefings and media interviews for results announcements and maintained regular contact with the media through press releases, announcements, and other promotional materials. The Group is committed to enhancing corporate transparency and providing timely disclosure of information on the Group's developments to help shareholders and investors make informed investment decisions. The Group is dedicated to enhancing corporate governance practices on business growth and strives to attain a balance between corporate governance requirements and performance. The Board believes that sound corporate governance is essential to the success of the Group and will enhance shareholders values. During the year, there was no change in the Company's constitutional documents.

Dividend Policy

The Company has adopted a dividend policy and aims to allow its shareholders to share Company's profits and for the Company to retain adequate reserves for business needs and growth.

The recommendation and declaration of dividends are subject to the discretion of the Board. The Board shall take into account various factors the Board may deem relevant, including but not limited to the Group's actual and expected financial performance, working capital requirements, capital expenditure requirements and commitments, operations and business strategies, liquidity position, retained earnings and distributable reserves, etc., and market conditions and external factors.

The Company is inclined to maintain a stronger liquidity position for its relatively capital intensive site assembly business operation, and makes no assurance that dividend will be paid for any given period or will be paid in any particular amount.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



MESSAGE FROM THE CHAIRMAN

Dear Valued Stakeholders,

On behalf of the Board of Directors (the “Board”), I am pleased to present the Group’s 2022 Environmental, Social and Governance (“ESG”) report (the “Report”).

In 2022, the volatile situation of the pandemic continued to ravage the world. Coupled with the impacts of extreme weather events, people’s daily lives and the Group’s business operations were affected to different extents. In the face of a series of issues caused by climate change and the pandemic, the Group has attached greater importance to our long-term sustainability risk management. To fulfil our corporate social responsibilities while mitigating the unpredictable and potentially negative effects of various issues, the Group actively identifies ESG risks and opportunities related to our business, assists in formulating sustainability strategies, and further improves and implements related policies and assisting measures and targets.

To align with the HKSAR Government’s Climate Action Plan 2050, the Group is actively promoting low-carbon transformation and adjusting our business operations to improve our carbon emission performance. The Board has been fully engaged in sharing their aspirations and building alignment for our climate leadership. In addition to the guidance and supervision of the ESG Committee and Energy Saving Team, the Group is setting out a clear pathway and moving towards our vision of sustainable growth. At the same time, the Group maintained our commitment to incorporating sustainability elements into future business operations, intending to reinforce climate resilience in our business.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has also enhanced our talent management to meet business development needs. Recruitment of different talents and continuous review of the employment system, remuneration and welfare policies increased the Group's overall competitiveness. Moreover, the Group continues to support employees by offering internal and external training courses in business ethics and occupational health and safety, aiming to create a high-quality workforce.

The Group places a high priority on strengthening the management of customer privacy, building quality, and cybersecurity, so as to gain customer satisfaction and confidence. The Group made efforts to ensure a consistent development value with our customers through various channels such as questionnaires and meetings to sustain two-way communication. On the other hand, the Group accelerated the construction of a competent information security management system to prevent data leakage. Training in information technology has also been provided to raise employees' cybersecurity awareness. With efficient management, the Group is building a stable value chain for customers in the long run.

The Group upholds the spirit of corporate social responsibility and gives back to society under the leadership of the Board and with the support of various stakeholders. The Group adheres to our social responsibility as a corporate citizen, and our dedicated contribution areas are the underprivileged and low-income families. The Group actively promotes various charitable activities and has established a volunteer team comprising employees from different departments to encourage employees to participate in various charitable activities. The Group expects to further enhance our social engagement and influence on the community in different ways and actively cooperate with more charities to expand the beneficiary groups.

In the future, the Group will continue to adhere to the operating philosophy of sustainable development, hoping to improve and innovate our operational practices and policies through communication and cooperation with stakeholders, including shareholders, tenants, partners, suppliers and the public, to fully integrate sustainability considerations into our decision-making process. We are confident that this approach will ensure a healthier and more sustainable living environment for the community in Hong Kong.

On behalf of the Board, I would like to express my sincere gratitude towards our professional team for their devotion and outstanding performance throughout the year. Looking ahead, we will continue to leverage our flexible and responsive operating model as well as the innovative corporate spirit to overcome future challenges while seizing the opportunities created by the low-carbon economy to move towards the goal of sustainable development.

Chan Hing Tat
Chairman

Hong Kong, 23 March 2023

ABOUT THE REPORT

Reporting Period and Scope

Soundwill Holdings Limited and its subsidiaries (“Soundwill” or the “Group”) are pleased to present the 2022 Environment, Social and Governance Report (the “Report”). The Report outlines the Group’s environmental, social and governance (“ESG”) policies and measures. It summarizes relevant performances to facilitate understanding and promote improvement in pursuing sustainable development for our stakeholders and business. The Report covers the Group’s ESG performance from 1 January 2022 to 31 December 2022 (the “reporting period” or “year”). Please refer to the Annual Report’s “Corporate Governance Report” section for more information on the Group’s corporate governance practices.

The Report highlights the material ESG performance of the principal operations of the Group’s building management business, leasing business and property development business in Hong Kong. Environmental and social key performance indicators (“KPIs”) are reported for the Group’s principal operating properties. The properties covered in this Report include 4 commercial buildings: Soundwill Plaza (including Headquarter Office), Soundwill Plaza II — Midtown, 10 Knutsford Terrace, and THE SHARP; 2 residential buildings: Park Haven and Warrenwoods; and 2 industrial buildings: iPLACE and iCITY (under construction).

To improve the comprehensiveness of information reflecting our ESG performance, the Group also included iCITY in our reporting scope, which is a construction site under our construction business and still under construction.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Reporting Standard

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Four reporting principles, namely materiality, consistency, quantitative and balance, that are set out in the ESG Reporting Guide form the cornerstone of the Report.

Identify relevant ESG issues

The Group conducted a questionnaire during the year to engage and communicate with stakeholders in the materiality assessment. Based on the results, the Group identified material issues to structure the Report and make critical disclosures.

Consistency

Consistent methodologies have been adopted in the measurement and calculation of key performance indicators (“KPIs”) for disclosure to allow meaningful comparison of our ESG performance.

Balance

The Group reports the ESG performance objectively and unbiasedly to present a fair overview of our ESG performance.

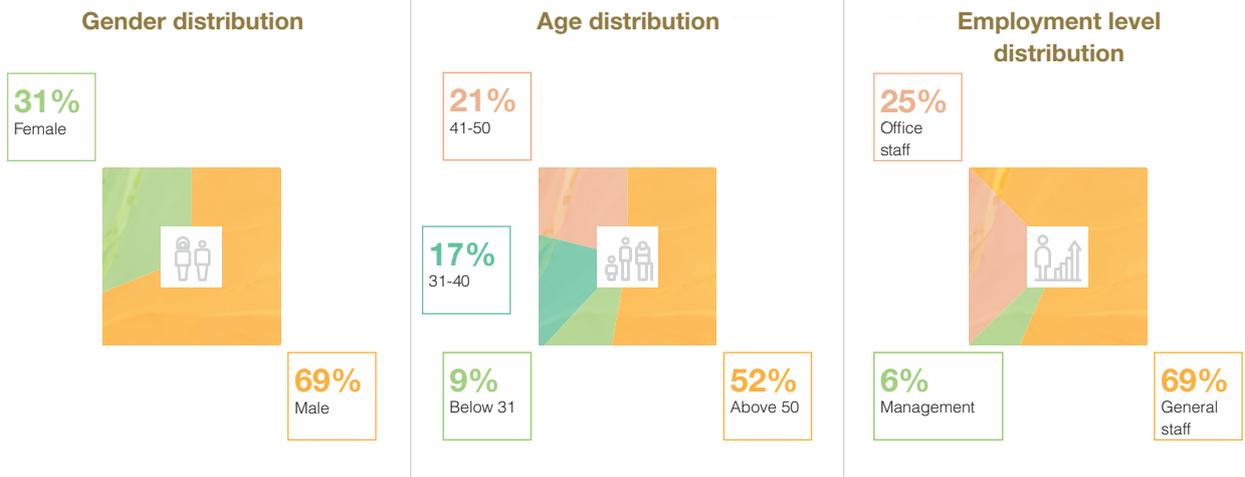
Quantitative

Quantitative data of KPIs are disclosed where feasible with an appropriate comparison with previous years. The report also states the standards, methodologies, and assumptions derived for the calculation.

OVERVIEW

EMPLOYMENT

Workforce distribution



Occupational health and safety



Work-related injuries:

3



Fatalities for 3 consecutive years:

0

CUSTOMERS

Customer Service



Satisfied with tidiness of public area:

98.0%



Satisfied with the overall customer service:

95.1%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENT

Targets Setting (Base year: 2022)



GHG and air emissions

- To ensure their emissions are well-aligned with its business growth by 2027.



Wastes

- To ensure its consumption is well-aligned with its business growth by 2027.



Energy consumption

- To reduce the Group's energy consumption intensity by 6% by 2027.
- To take energy-saving measures into account as one of the selection criteria for new suppliers and investment by 2027.

Performances Highlights



Greenhouse Gas Emissions

Intensity (by area):

0.042 tCO₂e/m²

Representing a decrease of

0.86%

Electricity consumption

Intensity (by area):

0.071 MWh/m²

Representing a decrease of

0.86%¹

Water consumption

Intensity (by area):

0.52 m³/m²

Representing a decrease of

11.62%²

COMMUNITY

Targets Setting (Base year: 2022)



Engaged with

10

charitable organisations

Focused in



Caring for the underprivileged



Sponsoring NGOs



Engaging the community

¹ Due to the improvement of data collection system, 2021's intensity of greenhouse gas emissions has adjusted to 0.042 tCO₂e/m².

² Due to the improvement of data collection system, 2021's intensity of water consumption has adjusted to 0.59 m³/m².



OUR ESG APPROACH

ESG Governance

As a responsible corporate, the Group is committed to pursuing sustainable business development and promoting the interests of various stakeholders and the Group. The Group recognizes the importance of an effective ESG management system in facilitating its strategic and long-term development and strives to improve our ESG performance. Hence, the Board has been receiving training regarding ESG issues and business ethics to keep themselves up-to-date and fully informed about the current strategic issues and business changes that might impact the company and the market in which it operates. In line with this commitment, we have established robust policies for addressing sustainability issues as well as a comprehensive monitoring and reporting process.

The Board's responsibilities include supervising ESG issues and formulating and approving ESG policies and measures. With the stewardship of the Board, the Environmental, Social and Governance Committee (the "ESG Committee") is formed by the management from the Finance & Accounts Department, Legal Department, Property Management Department, Administration & Human Resources Department and Corporate Communications Department. The ESG Committee is accountable for monitoring the Group's ESG performance, identifying the relevancy and materiality of the ESG issues, and formulating policies and measures for managing ESG issues. Furthermore, the ESG Committee conducts regular discussions and reviews on the progress and effectiveness of the work.

On the other hand, the Energy Saving Team is responsible for implementing ESG policies and measures, as well as collecting relevant data for analyzing the impacts of implementations. In addition, together with the Building Management Team, it reviews and reports on key sustainability trends, benchmarking against peers on sustainability risks, opportunities, and other new developments to gradually enhance the sustainability of the Group's business development.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



In the future, the Group will continue to maintain and improve our ESG governance in order to integrate sustainable development into its operations and achieve better ESG performance. In this way, we hope to create a more sustainable future for all.

Overview of Work Conducted by the ESG Committee in 2022

ESG Meeting 2022	April	July	November
ESG risk and opportunity	✓		✓
ESG performance review	✓	✓	✓
ESG reporting	✓	✓	✓
Energy saving and environmental KPIs	✓	✓	✓
Vocational training	✓		✓

ESG Strategy

Over the year, the Group has been fulfilling its social responsibilities and supporting sustainable development through its services. We are committed to integrating ESG core pillars: People, Community, Customers, and Environment, across all aspects of our business and operation. During the year, the ESG Committee has reviewed the past ESG performance through industry benchmarking, stakeholder engagement, and internal risk assessment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

With review and approval from the Board, the ESG Committee has established a series of ESG strategies and targets in 4 aspects: “Retaining talents with heart”, “Protecting the environment with heart”, “Building communities with heart”, and “Serving the Public with heart”, to illustrate the roadmap for the Group and its employees to enhance its sustainability performance and to assure the allocation of resources for implementations.

People – Retaining talents with heart

Focus areas:

- Health, safety, and well-being
- Training and development

Strategy:

- Promote a self-enriching working atmosphere to boost the work quality and performance
- Maintain a healthy and safe working environment

Target:

- Gradually expand the scale of e-learning

Community – Building communities with heart

Focus areas:

- Business ethics and integrity
- Whistleblowing
- Community investment

Strategy:

- Engage with charitable organizations to organize events for supporting underprivileged families and advocating environmental protection
- Strategically contribute resources to community
- Regularly review the whistle-blowing policy

Target:

- Annually review the strategy and status of community investment

Customers – Serving the Public with heart

Focus areas:

- Customer satisfaction and safety

Strategy:

- Provide high standard of customer service

Target:

- Achieve high satisfaction in major buildings

Environment – Protecting the environment with heart

Focus areas:

- Energy
- Waste
- Supplier chain risk management

Strategy:

- Gradually reduce carbon footprint
- Promote green lifestyle through public channels
- Continue to develop mobile application and implement e-marketing strategies
- Maintain a high standard management system of suppliers

Target:

- Closely monitor the market trend to reduce waste and promote waste production
- Timely review the procedure and criteria of procurement and assessment of suppliers

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Ethical Business Practice

The integrity of the Group is paramount and the Board sets up specific integrity standards for all transactions. All employees must uphold the highest ethical values, even in difficult circumstances. The company follows a stringent employee conduct policy to ensure that their reputation is protected. To ensure full compliance, the Group has established clear guidelines for all Board of Directors and employees. It has regularly reviewed them to ensure that the relevant principles and measures are effectively implemented.

The Group believes that upholding high integrity and ethical values ensures its reputation and success. It, therefore, strives to sustain the highest ethical standards in operating its business. The Group's independent internal audit team formulates anti-corruption principles and performs regular checks and audits to minimize the occurrence of bribery, extortion, fraud and money laundering. The Group has zero tolerance for non-compliance behaviors and thus has engaged independent auditors to ensure accounting integrity and impartiality.

Ethical requirements and conducts are also distributed to all employees in the Code of Conduct and the Employee Handbook, which aims to communicate their responsibilities to understand and comply with the Code, as well as to provide clear guidance involving issues like acceptance of advantages, conflict of interest, entertainment, etc. when performing their official duties. All employees will receive regular anti-corruption training to ensure compliance with the Code of Conduct for professional ethics. Employees who violate any provision will be subject to disciplinary action by the Group.

In line with our commitment to upholding high standards of ethical, moral, and legal business conduct, The Company has also enhanced its whistleblower protection policy this year, which encourages any employees as well as relevant stakeholders with knowledge of any non-ethical behavior to come forward and report it. They can reflect or report anonymously or in their real names, with the complainant's identity kept private to avoid harassment or victimization for reporting concerns. Upon receiving such reports or complaints, the Group will take follow-up action to verify the incidents through investigative procedures. The company adheres to all applicable laws, regulations and standards related to its business and encourages suppliers to do the same.

The Group fully complies with the Prevention of Bribery Ordinance and other relevant laws and regulations. During the year, there were no violations of any material non-compliance with laws and regulations relating to bribery, extortion, fraud and money laundering. There were also no legal cases of corrupt practices against the Group and its employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG-related Risk Identification and Management

The Group strives to sustain our business operation with effective risk management and internal control systems that identify, monitor, evaluate and manage risks. The Board is responsible for supervising risk management as well as the management of identified ESG risks. Additionally, the Audit Committee is responsible for reviewing the effectiveness of the Group's risk management and internal control systems, including those applicable to ESG-related risks, with the empowerment of the Board. The Board also oversees the Audit Committee annually to maintain proper and effective risk management.

The following table shows the ESG-related risks that the Group considers to be significant to our business during the year.

Risk factors	Potential impact	Response
Natural Disaster Risk	The risk of extensive damage in properties and facilities caused by extreme weather phenomenon (such as storm, flood, landslide, etc.) due to climate change may impact the Group's ability to manage and sustain operation.	The Group has established business contingency plans and arranged appropriate insurance coverage for different disaster scenarios to manage and sustain its property management and construction businesses.
Employees' health and safety	There are different safety hazards in offices and on sites, which could result in employee injuries or, in severe cases, permanent injury or death especially if a safety incident occurs during the construction process.	To ensure that employees' working environments meet the Group's health and safety standards, the Group has established Occupational Safety and Health Policy Statement. It conducts regular due diligence surveys on environmental and social risks such as working hours, temperature, toxic and hazardous substances, noise, and dust. Moreover, public liability insurance protects the employees' legal liability against body injuries.
Cyber and data security	Our daily operation involves a large amount of confidential information, including financial information, customer personal data, etc., also increases the risks of our systems being attacked by viruses or hackers' networks.	The Group has established a robust cyber and data security risk management and assessment system. The Group adopts cyber security defense equipment such as network monitoring, hacker detection and hardware firewall are installed to prevent corporate data or customer privacy data leakage due to network incidents.
Supply chain management	Overreliance on a single supplier and a limited selection of suppliers may lead to unreasonable purchase prices of the building materials, building services equipment and higher cost of sales.	The Group has developed a diverse and extensive tender and supplier selection process to lower our supply chain risks. In addition, extending the tender list and retendering could foster fair competition.
Environmental legislation related risks	If the Group violates the relevant legal and regulatory requirements, it may face penalties (e.g. suspension of works, fines, etc.) imposed by the government, resulting in financial losses to the Group.	The Group regularly monitors compliance with relevant laws and regulations. For example, Water Pollution Control Ordinance license has been obtained to ensure that the process of sewage discharge complies with the Water Pollution Control Ordinance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholder Engagement

The Group recognizes the importance of stakeholder engagement in improving our ESG performance and risk management and further promoting our business and sustainable development. Therefore, the Group regularly engages our stakeholders to understand their aspirations, needs and concerns and consider their opinions during our daily operations. With this in mind, the effectiveness of current measures and strategic priorities could be developed to align our business practices. During the year, the Group continued to interact and communicate with the stakeholder groups through the following communication channels:



Employees

- Annual performance reviews
- Employee Handbook and Code of Conduct
- ESG surveys
- Group activities
- Internal newsletters
- Intranet
- Regular meetings
- Email



**Shareholders/
Investors**

- Annual and interim reports, financial statements and announcements
- Annual General Meeting
- Corporate website
- Investor relations enquiry hotline and email
- Press releases



Customers

- Customer service hotline and email
- Direct communication with frontline employees
- Satisfaction surveys
- The Soundwill Club mobile application and social media



Tenants

- Customer service hotline and email
- Direct communication with frontline employees
- Meetings
- Satisfaction surveys



**Suppliers/
Vendors/
Service Providers**

- Continuous direct communication
- Regular reviews and assessments



Media

- Media enquiry hotline and email
- Press conferences
- Press releases
- Interviews



**Community/
Non-
Governmental
Organisations**

- Corporate website
- Social media
- Press releases and conferences
- Events, activities and exhibitions
- Sponsorships and donations

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Materiality Assessment

The Group believes it is crucial to consolidate and strike a balance among different ESG-related issues promptly. During the year, the Group engaged external consultancy to conduct a sustainability questionnaire and collect internal and external stakeholders' feedback. The questionnaire results were then analyzed to determine the material ESG issues that are vital to our business and stakeholders.

Identify relevant ESG issues

Screened and identified relevant ESG issues derived from reporting guide, market trends, benchmarking analysis and insights from the Group.

Collect stakeholders' feedback

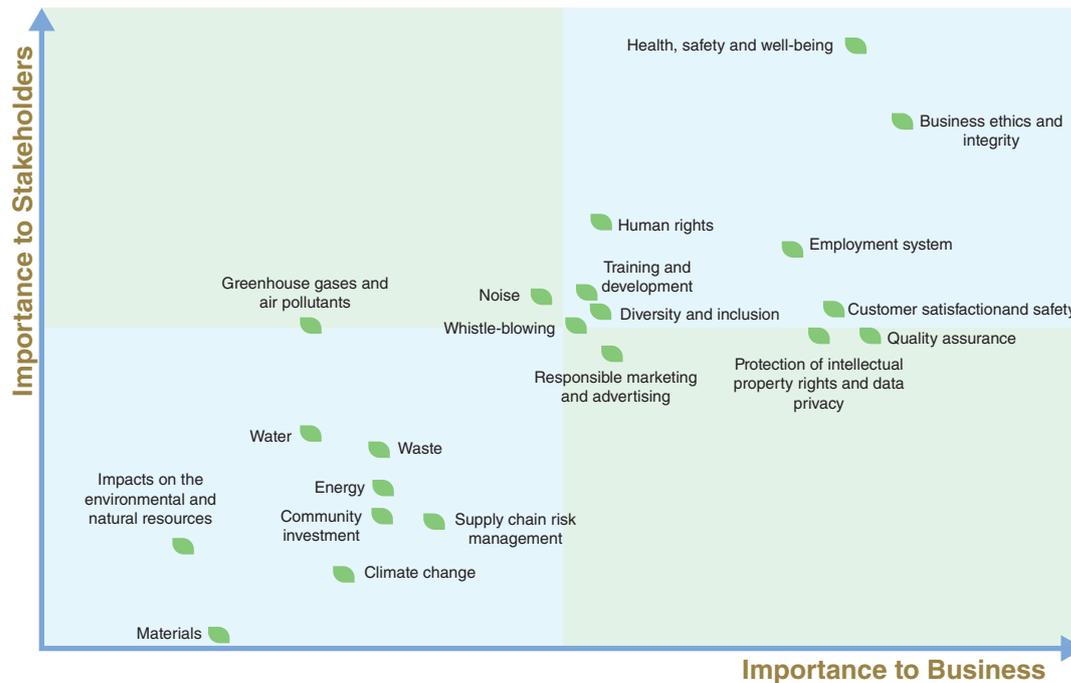
Distributed the sustainability questionnaire to stakeholders to rank the 21 ESG — related issues.

Collected a total of 87 valid responses, of which 61 were from internal stakeholders and 26 were from external stakeholders.

Determine material ESG issues

Submit the results of the materiality assessment to ESG Committee and the Board for review and confirmation.

The below materiality matrix is obtained by aggregating the questionnaire results, which reflected the level of concern of the Group's stakeholders on different ESG issues.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

21 ESG issues were identified in aspects of which cover four main aspects of “Environment”, “People”, “Operating Practices”, and “Community”. For internal stakeholders, the Group identified Health, safety and well-being, Business ethics and integrity, Employment system, Quality assurance, and Human rights are the top 5 material ESG issues, whereas regarding the external stakeholders, Customer satisfaction and safety, Health, safety and well-being, Business ethics and integrity, Protection of intellectual property rights and data privacy and Quality assurance.

On the other hand, to further understand our stakeholders more objectively, the Group has devoted more time and effort to expanding the scale of its survey which leads to a remarkable growth in the number of valid responses collected. Compared to 2021, the backgrounds of external stakeholders during the year are more diverse, which provides greater statistical reliability that allows the Group to address stakeholders’ concerned issues more thoroughly. The Group will continue to broaden the coverage of participants to produce a more constructive and representative materiality assessment result that addresses the interests of various stakeholders while promoting our ESG performance.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



VALUING OUR TALENTS

A competent talent team is a crucial factor in the success of the Group. The Group attributes its perspective and sustainable development to the efforts and contributions of our employees. On this ground, the Group strives to create an inclusive, diverse, safe and healthy workplace that values respect and care. Employees are also given opportunities to acquire and strengthen new skills to advance their careers.

Material ESG issues covered in this chapter:

- Health, safety and well-being
- Employment system
- Human rights
- Training and development
- Diversity and inclusion

Ensuring the Health and Safety

As a property developer, we value the health and safety of our employees, customers, and site workers. We are committed to providing a safe and healthy environment for all stakeholders. The Group pledges to maintain a high-standard safety management system with regard to the relevant regulatory requirements. Our property management subsidiary, Goldwell Property Management Limited (“Goldwell”), holds ISO 45001 Occupational Health and Safety Management Systems to prevent work-related injury and ill health and proactively improve our health and safety performance. To strengthen our guarantee of employees’ health, the Health and Safety Committee meets every month to follow up on work injury cases, formulate and implement measures to improve occupational safety, and enhance employees’ awareness. The Group regularly holds evacuation drills to practice and keep their eyes peeled.

In addition, our construction subsidiary, Rich Trend Construction Engineering Limited (“Rich Trend”), also performs Emergency Plans, Risk Assessments, Safety Plans, and Heat Stroke Assessments for construction projects. Employees and site workers are provided with information on the potential occupational disease risks, as well as intensive safety

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

training and protective equipment against hazards. Additionally, quality checks were also conducted during different construction phases. The quality of each procedure was reviewed by actual measurement, and specific improvement suggestions were made so that contractors could make adjustments timely to reduce quality risks.

Besides, mental health is another focus of the Group to encourage positivity in the workplace. The Group has implemented a five-day work week, and overtime work is compensated for in the form of compensatory time off. To further care for the health of our employees, the Group has participated in the Smoking Cessation Program to help employees quit smoking and live more healthily.

The fifth wave of the COVID-19 pandemic was rapid and fierce. It has disrupted the overall social and economic needs of Hong Kong and the well-being of businesses and individuals. As a socially responsible corporation, Group has taken the primary responses and control measures to protect our stakeholders as our obligatory duty, and the details are as follows:

- Provide infection control training and guidelines to all employees and staff of property management offices;
- Maintain social distancing by arranging working from home for office staff;
- Provide disease prevention supplies, such as hand sanitizer, clinical masks and disinfectants where necessary;
- Use remote working tools to avoid in-person meetings.

During the year, the Group complied with all relevant occupational health and safety laws and regulations, with no work-related fatalities recorded in the past three reporting years.

 Work-related injuries		 Work-related fatalities	
2022	3	2022	0
2022	2	2022	0
2022	1	2022	0

Creating Ideal Workplace

The Group's business success is on the dedication and the effort of our employees. Hence, protecting the legitimate rights and interests of employees is critical. The Group's employees are fully protected by laws, including the Employment Ordinance, Employees' Compensation Ordinance, Sex Discrimination Ordinance, Disability Discrimination Ordinance, Race Discrimination Ordinance and Family Status Discrimination Ordinance. Our Employee Handbook stipulates the regulations on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and all relevant welfare.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Recruitment and dismissal

Recruitments are carried out based on a fair and open employment system. Save as avoidance of child labour, all applicants and new recruits must provide their identification documents for inspection and verification to ensure their eligibility for work and compliance. A diverse workforce helps overcome challenges and seize opportunities. Discrimination against any applicant or employee, such as race, social class, nationality, religious beliefs, gender, etc., is strictly prohibited.

Remuneration and welfares

The Group reviews and adjusts our remuneration packages based on their performance and abilities. The Group provides remuneration packages according to position, employee performance, and the Group, covering basic salary, allowance and Mandatory Provident Fund (MPF) contribution. The Group offers different welfares to our employees. In addition to statutory holidays, the Group's employees are entitled to a number of paid holidays, including compassionate leave, paternity leave, marriage leave, etc. Furthermore, the Group has also arranged monthly staff birthday parties and Christmas parties to promote close cooperation and effective communication among employees and increase their sense of belonging and productivity.

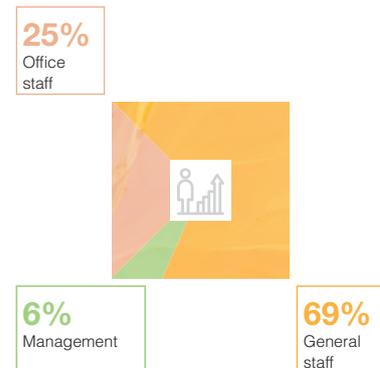
Promotion and development

The Group devotes effort to providing a pleasant working environment that encourages its employees to prompt career development and realise personal growth. The Group offers equal opportunities to employees regarding their qualifications, capabilities, performance, attitude and other relevant criteria.

The Group advocates a healthy and harmonious working environment; by establishing clear, honest, and timely communication, the Group has created channels such as regular meetings, surveys, annual reviews, etc., to understand employees' views and opinions. Besides, the Group always encourages open communication and positive feedback from employees. If employees have any comments about their work, they can submit it to the Group via the current reporting mechanism. To continue making progress, the Group will monitor results, manage criticism fairly and objectively, and look for areas for development. In addition, the Group shares the latest activities and trends through internal e-mails and the Company intranet. Also, the Group publishes an internal quarterly staff newsletter to disseminate the latest news and information about environmentally friendly practices, community services, well-being, and employee activities.

The Group respects human rights and prohibits any engagement or tolerance of using child labour or forced labour in operation. Based on the principles of fairness, openness and willingness, the Group implements our employment system that aligns with the local labour standards. For prevention, the Group adopts legal means when executing the recruitment processes, such as meeting the minimum employment age. To protect the employees and the Group's interests, detailed terms and conditions of employment are listed in the legal contracts of all positions.

During the year, the Group complied fully with all relevant employment laws and regulations, with no prosecution for a violation recorded.

Employment level distribution

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Offering Development Opportunities

Employees must be provided with training and development programs to achieve sustainable business growth. The Group actively invests resources in developing its employees by providing them with diversified opportunities for learning and training, encouraging them to make good use of the Group's resources to stimulate their value and facilitate their competencies when encountering challenges and opportunities in the future.

To ensure that the Group is keeping up with the ever-changing ESG matters and business environment, it provides continuous training for employees to advance their skills and abilities. A series of training programs were organized regarding the positions of its employees to improve employee engagement during the year, including occupational health and safety, information technology, product and service training, etc. The Group has also provided training with various topics related to accounting, ESG, health and safety, product and service, etc., to raise awareness of emergent themes about different issues that align with the Group's corporate strategies, thereby driving the Group to reach sustainable development. The Group also encourages its employees to attend workshops, industry events, and seminars to refresh and develop job-related knowledge and skills outside the Group.



Apart from the training provided by the Group, our construction subsidiary, Rich Trend supports employees and sub-contractors to receive safety training and toolbox talk every week, topics varying from emergency response under severe weather, working at height, bamboo or metal scaffolding and light and ventilation, which aims to reduce work-related injury cases.

The Recognitions

The Group's contributions to creating an inclusive workplace, promoting employees' well-being and facilitating their well-rounded development have earned widespread recognition. Relevant awards are as follows:



Happiness at Work Promotion Scheme 2022 – Happy Company
Hong Kong Productivity Council



Good MPF Employer 2021-2022 5 Years+
Mandatory Provident Fund Schemes Authority



Partner Employer Award 2022
The Hong Kong General Chamber of Small and Medium Business



The Racial Diversity & Inclusion Charter for Employers
Equal Opportunities Commission



Smoke-free Enterprise 2021-2022
The Lok Sin Tong Benevolent Society, Kowloon

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CREATING VALUE FOR THE PUBLIC



The Group is devoted to upholding the highest standards of corporate integrity and complying with internal and external policy measures. We are committed to making a positive impact in business, taking accountability seriously, and striving for excellence in customer engagement as well as product responsibility practices.

We are determined to provide the highest professional excellence and customer service standards in our field. Our commitment towards achieving this goal is unwavering; hence, we are committed to creating public value by incorporating a wide range of ESG elements in enhancing customer satisfaction and safety, quality assurance, marketing and advertising, the protection of intellectual property rights and data privacy, and business ethics and integrity. By adhering to our corporate values, we can bring together our shared vision for a better tomorrow today.

Material ESG issues covered in this chapter:

- Customer satisfaction and safety
- Quality assurance
- Responsible marketing and advertising
- Protection of intellectual property rights and data privacy

Engaging with Customers

The Group values customers' opinions and ensures their opinions and complaints are handled to maintain two-way communication between customers and the Group. The Group upholds the philosophy of catering to customer needs and has established various feedback channels, including a customer service hotline, customer satisfaction surveys, email, direct communication with frontline employees, Soundwill Club mobile application, and social media platform.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To enhance mutual understanding and trust between the Group and its customers, the Group believes that it is essential to establish good customer service. We aim to optimize customer experience and satisfaction levels by promoting a positive, helpful, and friendly environment that delivers the highest service standards. To understand our customers' needs and concerns more effectively, the Group invited customers to share their thoughts by completing customer satisfaction surveys through its Soundwill Club mobile application. The survey scored 603 customers regarding the overall service quality, the usability of and activities held by Soundwill Club, the environmental hygiene of Soundwill Plaza and Soundwill Plaza II — Midtown etc. This survey allows the Group to gather feedback and provides insights into the areas in which the Group can process improvements. The Group promises to follow up with customers' enquiries, analyse the results, and devise strategies and plans accordingly to ensure that customers' opinions are reflected. During the year, no material complaints on customer service and property management were received.

Delivering Quality Services

In terms of complaints about property management services, Goldwell will handle them in accordance with ISO 9001. The Property and Facilities Manager holds regular meetings with residents and the management committee of the property to understand their needs and expectations in order to deliver the most appropriate and high-quality services. Upon receipt of a complaint or inquiry, it will be reported to the property manager or other responsible management within 24 hours and followed up on within 12 hours to avoid the recurrence of similar issues. Complaints about hygiene issues will be handled within 4 hours of receipt by the property manager. Furthermore, our employees are provided with customer service codes, operational process guidelines and training to sustain service quality and consistency when handling customer complaints and conducting investigations.

As a responsible corporate, the Group has implemented operational guidance on a set of infection control and prevention actions and guidelines to its staff for maintaining access to essential quality services for its customers and lowering the risk of spreading infectious diseases that may lead to poor quality services during COVID-19.

In addition, the Group is devoted to creating a friendly environment that satisfies every need of customers. We have enhanced the inclusion during the reporting period especially in Soundwill Plaza II — Midtown, where we offer barrier-free facilities for all customers to enjoy the prestige consumer experiences by facilitating them with wheelchair borrowing, electrical wheelchair charging, barrier-free taxi booking, and public barrier-free washrooms. We have also been promoting age-friendly management culture by implementing age-friendly measures, establishing staff training to support different customer groups, and providing products and services that cater for all ages. During the year, the Group has been listed in the "List of Barrier-free Companies" by The Hong Kong Council of Social Service and "Charter for Age-friendly Shopping Malls" by The Hong Kong Jockey Club Charities Trust.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group believes that maintaining our buildings and services' high quality is paramount to retaining reputation and gaining long-term customer trust. Hence, our experienced handover team serve to maintain quality assurance. They inspect and examine the buildings' quality and safety before delivering them to owners and tenants. Besides, new customers will receive a two-year maintenance warranty and credible post-sales experience. With the oversight of the building management team, the Group strictly controls the building quality and ensures continual improvement.



Ensuring Network Resilience

The Group prioritises safeguarding data privacy and is committed to protecting intellectual property rights in our business operations. The Group adheres to the Trade Marks Ordinance, Copyright Ordinance, Personal Data (Privacy) Ordinance of Hong Kong and other relevant laws and regulations. Any inadvertent leakage of customers' personal information in operation will significantly impact the Group's reputation and procedures and may even bring financial losses.

The Group has established internal procedures to provide adequate protection and encryption for all data and information upon operation to secure the data collected. As stipulated in the Employee Handbook, employees shall respect intellectual property rights and promise that no intellectual property rights violations will happen in conducting business. For instance, the Group would back-up critical data and system configurations regularly and store the data in a separate location, with periodic tests and reviews to ensure effectiveness. The Group strives to protect customer data obtained from all channels and eliminate the risk of information leakage. The Group's Privacy Policy is available on the Group's website for customers to access anytime.

Since establishing Soundwill Club, the Group has implemented measures to uphold confidentiality and prevent security risks. For example, member data is encrypted, and the server only allows access to data from specific locations to protect customer data from loss, misuse, unauthorized access, disclosure, alteration and destruction. Moreover, a hardware firewall and monitoring program were installed to monitor data access.

During the year, the Group complied fully with all relevant product liability and data privacy-related laws and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SAFEGUARDING THE ENVIRONMENT



With the global and local environmental movement in full swing, the Group is determined to take stock of its role and plan for reducing unprecedented sustainability challenges towards the environment. To achieve a sustainable future, the Group promises to continue to seek ways to address and resolve environmental issues; hence, we establish a number of environmental protection policies and initiatives regarding the reduction of greenhouse gas (“GHG”) emissions, the use of natural resources, and the mitigation of climate change.

During the year, the Group has set the following environmental targets in driving its ESG commitment and enhancing its sustainability performances. The Group will do its best to reach those targets and review the results regularly with an effective monitoring system.

Environmental Aspects	Targets (Setting the base year at 2022)
GHG and air emissions	<ul style="list-style-type: none"> To closely monitor the amount of GHG and air pollutants generated to ensure their emissions are well-aligned with its business growth by 2027. To incorporate “low carbon” elements into the Group’s investment strategies and criteria by 2027.
Wastes	<ul style="list-style-type: none"> To closely monitor the amount of waste generated (e.g. paper) to ensure its consumption is well-aligned with its business growth by 2027.
Energy consumption	<ul style="list-style-type: none"> To reduce the Group’s energy consumption intensity by 6% by 2027. To take energy-saving measures into account as one of the selection criteria for new suppliers and investment by 2027.

Material ESG issues covered in this chapter:

- Greenhouse gases and air pollutants
- Energy
- Climate change
- Water
- Waste
- Materials
- Impacts on the environmental and natural resources
- Supply chain risk management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Achieving a low-carbon transition

To achieve a low-carbon transition, the Group understands that it must optimize its energy efficiency and raise awareness among staff, customers, and the general public about the impacts of GHG emissions. Hence, the Group is committed to implementing various energy efficiency plans, strategies, and measures that aim to reduce its energy consumption, GHG and air emissions, and facilitate behavioural changes of its stakeholders in conserving energy.

Recognizing that our daily behaviours and choices are important drivers of energy consumption, the Group has carried out a series of energy-saving measures to ensure more efficient use of energy. We hope that energy-saving measures can help to adjust our tenants' behaviours in reducing energy consumption and lowering GHG and air emissions that yield substantial energy savings over time, and details are as follows:

- 
- Giving priority to energy-efficient equipment and electrical appliances with energy labels;
 - Providing maintenance, repair, and overhaul services regularly to optimize the effective use of electricity;
 - Implementing the re-commissioning (RCx) of the MVAC system;
 - Suspending the usage of air-conditioning, lighting, lift, and escalator according to tenants' business hours;
 - Reducing the running time of pool pumps;
 - Installing solar panels on the rooftops of the warehouse to increase the use of renewable energy;
 - Encouraging our employees, customers, suppliers, and other stakeholders to adopt an energy-efficient lifestyle.
- 

Apart from implementing various energy-saving measures, the Group continued to purchase renewable energy credits from Hong Kong Electric during the year to drive a clean energy future. A total of 11,000 kWh of renewable energy was purchased, which was 450% more compared to the renewable energy credits purchased last year. The Group will continue to support renewable energy in Hong Kong and put more effort into leading its stakeholders in enhancing their energy efficiency and conservation through different projects. During the year, the Group's environmental performances are as follows:

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Overview of Electricity Consumption and GHG Emissions

Energy Consumption				
Indirect energy (Electricity)				
Property	Unit	2022	2021 ³	% Change
Soundwill Plaza	MWh	2,372.59	2,692.20	-11.87%
Soundwill Plaza II – Midtown	MWh	1,211.33	1,143.74	5.91%
10 Knutsford Terrace	MWh	999.70	1,028.17	-2.77%
THE SHARP	MWh	114.53	123.82	-7.50%
Park Haven	MWh	355.40	349.98	1.55%
Warrenwoods	MWh	318.84	337.41	-5.50%
iPLACE	MWh	330.01	345.92	-4.60%
iCITY ⁴	MWh	157.57	N/A	N/A
Total consumption	MWh	5,859.98	6,021.24	N/A ⁵
Intensity	MWh/m ²	0.064	0.068	-4.67%

Greenhouse Gas Emissions				
Property	Unit	2022	2021 ⁶	% Change
Soundwill Plaza	Tonnes of CO ₂ equivalent (tCO ₂ e)	1,697.43	1,911.46	-11.20%
Soundwill Plaza II – Midtown	tCO ₂ e	860.05	812.06	5.91%
10 Knutsford Terrace	tCO ₂ e	369.89	380.42	-2.77%
THE SHARP	tCO ₂ e	81.32	87.91	-7.50%
Park Haven	tCO ₂ e	252.33	248.49	1.55%
Warrenwoods	tCO ₂ e	226.37	239.56	-5.50%
iPLACE	tCO ₂ e	122.11	127.99	-4.60%
iCITY ⁷	tCO ₂ e	187.99	N/A	N/A
Total emissions	tCO ₂ e	3,797.48	3,807.89	N/A
Intensity	tCO ₂ e/m ²	0.042	0.043	-2.31%

³ Due to the improvement of data collection system, 2021's electricity consumption of all properties have adjusted accordingly.

⁴ iCITY was not included in the reporting scope of 2021 ESG Report of the Group.

⁵ As the scope and boundary of 2022 ESG Report is different from that of 2021 ESG Report, no direct comparison will be provided on the total consumption of electricity in 2022 and 2021.

⁶ Due to the improvement of data collection system, 2021's GHG emissions of all properties have adjusted accordingly.

⁷ iCITY was not included in the reporting scope of 2021 ESG Report of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Looking ahead, the Energy Saving Team will continue to review the Group's energy efficiency measures and conduct inspections regularly to avoid energy wastage. To further assess the feasibility of developing longer-term targets for our operations, we target to reduce the Group's energy consumption and GHG emissions intensity by 6% by 2027 in long-run.

Identifying climate-related risks and opportunities

The Group believes that identifying climate-related risks and opportunities can help to strengthen the sustainability of the Group's business. To progress adaptation responses and enhance resilience towards climate change, the Group has adopted an Environmental Policy Statement since 2021 and has considered climate-related issues while formulating the operation of the Group's business. We have developed a systematic approach that manages our climate-related risks and opportunities. The following table illustrates the Group's framework of disclosing climate-related risks and opportunities following the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) in 4 major areas, which include "Governance", "Strategy", "Risk Management", and "Metrics and Targets", and details are as follow:

Disclosure area	TCFD recommended disclosure	Information disclosed by Soundwill	References
Governance	Disclose the organization's governance around climate-related risks and opportunities.	<p>A robust governance structure that concentrates on directing and executing the Group's sustainable development that targets to manage climate-related risks and opportunities.</p> <p>The ESG Committee, Energy Saving Team, and Building Management Team assist the Board to identify, manage, and benchmark material climate-related risks and opportunities.</p>	ESG Governance; ESG — related Risk Identification and Management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Disclosure area	TCFD recommended disclosure	Information disclosed by Soundwill	References
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	<p>The Group has been integrating ESG elements across all aspects of its business and operation. The Board will develop a strategic plans and measures in disclosing the actual and potential impacts of climate-related risks and opportunities.</p> <p>The ESG Committee has reviewed the past ESG performance through industry benchmarking, stakeholder engagement, and internal risk assessment. It has identified some climate-related risks for the Group's major business, i.e. property leasing and management.</p>	ESG Strategy; Identifying climate-related risks and opportunities
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.	The Audit Committee is authorized by the Board to evaluate and monitor risks.	Identifying climate-related risks and opportunities
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	<p>The consumption data of energy and the key metrics of waste management are disclosed every year for analysis of performance and trend.</p> <p>Scope 1 and 2 greenhouse gas emission data as well as related reduction strategies and targets are disclosed.</p>	Achieving a low-carbon transition; Utilizing water resources; Managing and reducing waste

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the year, the Group conducted a climate-related risk review from the Group's perspective and identified the following physical and transition risks of its property leasing and management segment.

We believe that the top physical risk the Group currently faces is extreme weather, such as heat waves, typhoons, heavy rains, floods, etc. These extreme weather events could pose material impacts to our business operations such as the depreciation of equipment, the increased use of air-conditioning for cooling, and the increased chances of employees who may suffer from heat stress-related illnesses (i.e. heat stroke and heat rash). These may cause the temporary suspension or closing of operations, higher operation and electricity costs, increased investment for upgrading or reinforcing our equipment to withstand extreme weather events, and impact the Group's reputation and business performance.

On the other hand, amid the external and internal pace of change to reduce the environmental impacts, several transition risks associated with climate change have correspondingly raised. Those transition risks include tightened regulatory requirements on energy management, the sudden and unexpected increases in energy costs, the loss of competitive edge to more sustainable competitors, etc., which all lead to a result of the higher operation and electricity costs, caused by early retirement of equipment and additional costs in developing low-carbon practices/ processes, thereby impacting the Group's ability to achieve the market share target and/ or sales revenue target in the future.

The group is dedicated to preserving the well-being of our environment and, therefore, will continue to question, discuss, and formulate policies and measures that are necessary to adopt in order to mitigate the climate risks faced by our planet. We recognize the importance of addressing these changing conditions and remain committed to proposing ideas and actions that will help ensure our future.

Utilizing water resources

Understanding there is an ever-increasing water demand for water resources, the Group is looking for ways to expand its efforts in water conservation. To reduce water usage and promote the sustainable use of water, the Group deployed water-saving measures and regularly monitored its water management. During the year, the total water consumption of the Group year was 47,560 cubic meters, which had a significant reduction of 9.78% compared to last year's result.

We utilize water-saving mechanisms by installing self-closing water taps with sensor-activated devices and monitoring all drainage systems with regular maintenance to save water and prevent water leakage. Apart from monitoring water consumption in our properties, we also actively encourage our employees and tenants to conserve water by providing training and posting notices on how to lower their water consumption. We will continue monitoring the data and arranging investigations and maintenance promptly as follow-up actions to further enhance our water-saving measures.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Overview of Water Consumption

Water Consumption				
Property	Unit	2022	2021 ⁸	% Change
Soundwill Plaza	m ³	20,558.62	24,520.58	-16.16%
Soundwill Plaza II – Midtown	m ³	3,006.30	3,309.26	-9.15%
10 Knutsford Terrace	m ³	12,102.53	14,173.68	-14.61%
THE SHARP	m ³	N/A	N/A	N/A
Park Haven	m ³	1,866.03	750.59	148.61%
Warrenwoods	m ³	955.22	1,307.99	-26.97%
iPLACE	m ³	9,068.69	8,651.82	4.82%
iCITY ⁹	m ³	3.00	N/A	N/A
Total consumption	m ³	47,560.39	52,713.90	-9.78%
Intensity	m ³ /m ²	0.52	0.59	-11.62%

Managing and reducing waste

The Group strives to promote and develop sustainable waste management; hence, it has been actively seeking ways to maximize recycling, minimize waste, reduce consumption, and ensures that its used materials and resources are made to be reused, repaired, or recycled back into nature or the suitable marketplace. During the year, the Group generated 5,441.12 tonnes of non-hazardous waste and has hired qualified contractors to collect the waste for proper disposal.

In line with the Group's goal of integrating sustainability into every aspect of our business, it strictly follows the "4R" principles of waste hierarchy in hopes of achieving waste reduction. To improve recycling efforts, we have installed waste collection facilities in our buildings to encourage our employees, tenants, and other stakeholders to properly dispose of their recyclable wastes such as paper, cardboard, plastic bottles, aluminium cans, etc.

In addition, knowing that digital technologies play an important role in the transition to a net-zero emissions future, the Group has been proactively enhancing its waste management and maximizing its resource utilization by lowering reliance on paper-based communication and moving towards digital transformation. For instance, we issue e-coupons and share first-hand information on the Group's latest events and promotions through our application Soundwill Club. We also give preference to environmentally friendly and sustainable products, e.g. FSC-certified papers and put on "Paper Saving" notices around the printing area to promote double-sided printing and place used paper collection boxes for recycling.



⁸ Water consumption of all properties in 2021 has renewed using the same estimation method as that in 2022.

⁹ iCITY was not included in the reporting scope of 2021 ESG Report of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The overall performance of waste disposal and recycling is as follows:

Overview of Waste Disposal and Recycling

Non-hazardous Waste Disposal				
Property	Unit	2022	2021 ¹⁰	% Change
Soundwill Plaza	tonne	1,138.11	1,021.81	11.38%
Soundwill Plaza II – Midtown	tonne	889.27	795.27	11.82%
10 Knutsford Terrace	tonne	643.19	577.65	11.35%
THE SHARP	tonne	27.95	24.14	15.79%
Park Haven	tonne	486.86	526.50	-7.53%
Warrenwoods	tonne	317.80	394.09	-19.36%
iPLACE	tonne	413.14	446.46	-7.46%
iCITY ¹¹	tonne	1,524.80	N/A	N/A
Total waste	tonne	5,441.12	3,785.92	N/A
Intensity	tonne/m ²	0.060	0.043	40.78%

Waste Recycling				
Property	Unit	2022	2021	% Change
Soundwill Plaza	kg	946.00	1,393.00	-32.09%
Soundwill Plaza II – Midtown	kg	165.35	150.07	10.18%
10 Knutsford Terrace	kg	1,312.00	831.00	57.88%
THE SHARP	kg	415.50	633.00	-34.36%
Park Haven	kg	328.30	374.60	-12.36%
Warrenwoods	kg	619.20	719.90	-13.99%
iPLACE	kg	557.00	202.57	174.96%
iCITY ¹²	kg	0.00	N/A	N/A
Total waste	kg	4,343.35	4,304.14	N/A
Intensity	kg/m ²	0.048	0.048	-1.15%

¹⁰ All non-hazardous waste data all properties in 2021 have renewed using the same estimation method as that in 2022.

¹¹ iCITY was not included in the reporting scope of 2021 ESG Report of the Group.

¹² iCITY was not included in the reporting scope of 2021 ESG Report of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Achieving sustainable supply chains

The Group strives to build a supply chain that incorporates the perspective of sustainability that can minimize the social and environmental risks along the supply chain. Hence, the Group has established Sustainable Procurement Policy to guide and oversee all relevant procurement activities undertaken by the Group, in which all suppliers and contractors (“suppliers”) must comply with the Group’s requirements on sustainability performances, such as the protection of natural resources, reduction of environmental impact, health and safety of workers, respect for human rights, anti-corruption, and anti-competitive behaviours. Suppliers who fail to meet our requirements may be excluded from future tendering or even terminated from their contract.

To ensure the sustainability performances of suppliers meet the Group’s expectations, the Group only selects suppliers based on a formal assessment and interview to confirm that their performances adhere to our selection principles. For instance, every new supplier must fill in the Consultant/Contractor/Supplier Application Form and submit all required documents and certificates to prove that they have integrated environmentally and socially responsible practices into their business operations. In addition, to further safeguard the quality of suppliers and reduce supply chain risks, Goldwell conducts assessments and performance reviews of all suppliers every half year to monitor and assess their work, which contractors will be evaluated and classified into different grades according to their company’s structure, previous service or construction records, anti-corruption and anti-competitive practices, professional licenses and permits and insurance provided to employees, etc. The Group will also give priority to business partners with outstanding performance and with ISO Certification in Environmental Management (e.g. ISO 14001), Quality Management (e.g. ISO 9001), and Occupational Health and Safety (e.g. ISO 45001 and OHSAS 18001).

Apart from identifying the social and environmental risks along the supply chain, the Group also highlights the importance of anti-corruption and competition in its supply chain and operations; hence, it has been adopting a sustainable procurement policy that embeds anti-corruption and anti-competitive practices to promote a sustainable, prudent, and just supply chain management in its business operations. The Group will continue to tighten its sustainable procurement process, consider all types of risks in its supplier selection and monitoring processes, and give preferences to those environmentally friendly and sustainable suppliers who follow those policies and measures undertaken by the Group.

To uphold values for social responsibility, the Group promises to keep moving forward to engage more suppliers and contractors on resources conservation and sustainability, as well as exploring possibilities in developing a more comprehensive approach to identify and manage potential environmental and social impacts across its supply chain.

The Recognitions

Our efforts and achievements in enhancing the environment have been widely recognized, which include the following awards:



Umbrella Bags Reduction Accreditation Program – Diamond Level
Greener Action



Indoor Air Quality Certificate (Good Class)
Environmental Protection Department



Energywise Certificate (Good Level)
Environmental Campaign Committee

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

GIVING BACK TO THE SOCIETY



The Group concerns our performance beyond mere profit-making and business growth, but also shoulder social responsibility to care for the underprivileged and create a better community. The Group actively promotes a wide range of charitable activities and has established a volunteer team comprising employees from different departments to encourage employees to create values for the community. The Group has also been committed to understanding the community's daily needs and has cooperated with 10 charitable organizations during the year.

Material ESG issues covered in this chapter:

- Community investment

Caring for the underprivileged

The Group understands that the majority of the underprivileged lack necessities for daily living. As one of the developers in prime locations in Hong Kong, the Group is dedicated to fulfilling its social responsibilities by utilizing our convenient location and a board of customer network to promote charitable campaigns, which included the PeaceBox Campaign, which aims to bless underprivileged communities with useful supplies and gifts. Not only does the campaign could provide material support to the needy, but it is also an embodiment of caring love.



Nurturing young talents is crucial for the growth and development of a healthy industry. The Group continued to partner with Project WeCan to provide a two-week job-tasting programme to secondary school students who are disadvantaged in learning. They got the opportunity to learn about the workplace, daily routines and job duties through mentoring, practical work, hands-on training and workshops. The Group hopes that the programme can offer the ideas and experience of the industry to the participating students; and can be a reference for their future studies and career development.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Sponsoring NGOs

The Group is committed to understanding the needs of communities. Through charitable donations and sponsorships, the Group supports and leverages its professionals and resources in serving different organisations, such as green groups, social service organisations, and NGOs. During the year, we have supported the Skip Lunch Day organised by the Community Chest, fundraising for the street sleeper, people living in cage homes and cubicle apartments. In addition, One Storage Management, a subsidiary of the Group, other than providing the Public Service Centre with free mini storage for the temporary storage of supplies for distribution, the Group also deliver free storage to Praxis (HK) Charity Limited to support their ministries in helping families in need.

On the other hand, the Group has also donated to charities to support sustainable communities and promote the harmonious and friendly co-existence between the corporate and the community. To contribute to the sustainable development of community the Group has held the Receipts spread Love campaign, in which we have set up collection boxes in the lobby of Midtown to collect customers' receipts and donate 1% of the total amount to charities.



Engaging the community

The Group places priority on promoting community well-being. In contributing to society, the Soundwill Volunteer Team has participated in several volunteering services. During the year, we delivered rice and sent love and blessings to the elderly. Moreover, we were giving out products produced by social enterprise, which cares for and supports the underprivileged to bring across the message of inclusiveness to the community.

To extend our support to people facing challenges from the pandemic, Soundwill Plaza II Midtown has collaborated with Greeners Action, Food Grace and Green Toys Land to collect used red pockets, festive food, mooncake boxes and toys for recycling and to bring love and positive energy to people in need during the pandemic.

The Group is dedicated to supporting the development of the community and constructing an inclusive society. The Group will continue to review and perfect the management and strategies for positively impacting our culture and community development.

The Recognitions

Our efforts and achievements in community service have been widely recognized, which include the following awards:



**Social Capital Builder Awards
2022 — Logo Awards**
Community Investment &
Inclusion Fund



Caring Company 2022/23
The Hong Kong Council of
Social Service



**Heart to Heart
Company 2022-2023**
The Hong Kong Federation
of Youth Groups



Industry Cares 2022
Federation of Hong Kong
Industries

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Key Performance Indicators Overview

Environmental Performance

Key environmental performance indicators	2022			2021	Unit
	Nitrogen oxides (NO _x)	Sulfur oxides (SO _x)	Particulate matters (PM)		
Air emissions¹³					
<i>Commercial buildings</i>	1.45	0.07	0.11	N/A	kg
<i>Residential buildings</i>	0.00	0.00	0.00	N/A	kg
<i>Industrial building</i>	0.00	0.00	0.00	N/A	kg
<i>Construction site</i>	3,621.40	238.14	254.57	N/A	kg
<i>Total air emissions</i>	3,622.86	238.21	254.67	N/A	kg
Greenhouse gas (GHG) emissions¹⁴					
<i>Commercial buildings</i>		3,008.68		3,191.86	tCO ₂ e
<i>Residential buildings</i>		478.70		488.05	tCO ₂ e
<i>Industrial building</i>		122.11		127.99	tCO ₂ e
<i>Construction site</i>		187.99		N/A ¹⁵	tCO ₂ e
<i>Total GHG emissions</i>		3,797.48		3,807.89	tCO ₂ e
<i>GHG intensity (by area)</i>		0.042		0.043	tCO ₂ e/m ²
Non-hazardous waste¹⁶					
<i>Commercial buildings</i>		2,698.52		2,418.87	tonne
<i>Residential buildings</i>		804.66		920.59	tonne
<i>Industrial building</i>		413.14		446.46	tonne
<i>Construction site</i>		1,524.80		N/A ¹⁷	tonne
<i>Total amount of non-hazardous waste disposed</i>		5,441.12		3,785.92	tonne
<i>Intensity of non-hazardous waste (by area)</i>		0.060		0.043	tonne/m ²
Waste recycled¹⁸					
<i>Commercial buildings</i>		2,838.85		3,007.07	kg
<i>Residential buildings</i>		947.50		1,094.50	kg
<i>Industrial building</i>		557.00		202.57	kg
<i>Construction site</i>		0.00		N/A ¹⁹	kg
<i>Total amount of waste recycled</i>		4,343.35		4,304.14	kg
<i>Intensity of waste recycled (by area)</i>		0.048		0.048	kg/m ²

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Key environmental performance indicators	2022	2021	Unit
Energy Consumption			
<i>Direct energy (Diesel and petrol)²⁰</i>			
Commercial buildings	46.95	N/A	MWh
Residential buildings	0.00	N/A	MWh
Industrial building	0.00	N/A	MWh
Construction site	530.47	N/A	MWh
<i>Indirect energy (Electricity)²¹</i>			
Commercial buildings	4,698.16	4,987.93	MWh
Residential buildings	674.23	687.39	MWh
Industrial building	330.01	345.92	MWh
Construction site	157.57	N/A ²²	MWh
Total energy consumption	6,437.40	6,021.24	MWh
Energy intensity (by area)	0.071	0.068	MWh/m ²
Water Consumption			
Commercial buildings	35,667.45	42,003.51	m ³
Residential buildings	2,821.25	2,058.57	m ³
Industrial building	9,068.69	8,651.82	m ³
Construction site	3.00	N/A ²³	m ³
Total water consumption	47,560.39	52,713.90 ²⁴	m ³
Water intensity (by area)	0.52	0.59 ²⁵	m ³ /m ²

¹³ The Group did not generate air emissions in 2021.

¹⁴ Due to the improvement of data collection system, all GHG emissions data of 2021 have adjusted to accordingly.

¹⁵ Construction site was not included in the reporting scope of 2021 ESG Report of the Group.

¹⁶ Due to the improvement of data collection system, all non-hazardous waste data of 2021 have been adjusted accordingly.

¹⁷ Construction site was not included in the reporting scope of 2021 ESG Report of the Group.

¹⁸ Due to the improvement of data collection system, all waste recycling data of 2021 have been adjusted accordingly.

¹⁹ Construction site was not included in the reporting scope of 2021 ESG Report of the Group.

²⁰ The Group did not have direct energy consumption in 2021.

²¹ Due to the improvement of data collection system, all indirect energy data of 2021 have adjusted to accordingly.

²² Construction site was not included in the reporting scope of 2021 ESG Report of the Group.

²³ Construction site was not included in the reporting scope of 2021 ESG Report of the Group.

²⁴ Due to the improvement of data collection system, 2021's total water consumption has adjusted to 52,714 m³.

²⁵ Due to the improvement of data collection system, 2021's total water intensity has adjusted to 0.59 m³/m².

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Social Performance

Key Performance Indicators		2022	2021
Total employees			
By gender	Male	262	248
	Female	119	128
By age group	Under 31	36	55
	31–40	66	58
	41–50	79	71
	Above 50	200	192
By employment type	Full time	302	302
	Part time	79	74
By geographical region	Hong Kong	381	376
By employment level ²⁶	General staff	261	245
	Office staff	96	99
	Management	24	28
Total		381	376

Employee turnover rate		2022	2021
By gender	Male	60.3%	15.7%
	Female	89.1%	23.4%
By age group	Under 31	83.3%	29.1%
	31–40	53.0%	27.6%
	41–50	60.8%	29.6%
	Above 50	75.5%	8.3%
By geographical region	Hong Kong	69.3%	18.4%
Total		69.3%	18.4%

Health and safety ²⁷		2022	2021
Work-related injuries		3	2
Lost days due to work-related injuries		294	5
Work-related fatality		0	0

²⁶ Information regarding senior management can be found from Corporate Governance Report.

²⁷ There were 0 case of work-related fatality in the past three years.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Percentage of employees trained		2022	2021
By gender	Male	37%	13%
	Female	39%	22%
By employment level ²⁸	General staff	33%	3%
	Office Staff	46%	39%
	Management	58%	46%
Total		37.8%	18.9%

Average training hours		2022	2021
By gender	Male	3.08	0.96
	Female	3.18	1.66
By employment level ²⁹	General staff	2.71	0.02
	Office Staff	3.77	2.33
	Management	4.80	4.09
Total		3.11	1.20

Total number of suppliers		2022	2021
By geographical region	Hong Kong	335	89
	China	1	—
Total		336	89

Anti-corruption training		2022	2021
Total hours of employees receiving anti-corruption training		24	4
Total hours of directors receiving anti-corruption training		49	2

²⁸ Information regarding senior management can be found from Corporate Governance Report.

²⁹ Information regarding senior management can be found from Corporate Governance Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG Reporting Guide Content Index

Aspects	Description	Page/Remark
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	53-61 In the year, the Group was not aware of any material non-compliance with relevant laws and regulations that had a significant impact on the Group.
A1.1	The types of emissions and respective emissions data.	64
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	64-65
A1.3	Total hazardous waste produced and intensity.	N/A The Group did not produce any hazardous waste.
A1.4	Total non-hazardous waste produced and intensity.	64
A1.5	Description of emission target(s) set and steps taken to achieve them.	53-56
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	59-60
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	53-61
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	64-65
A2.2	Water consumption in total and intensity.	65
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	53-56
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	N/A The Group did not have any issues sourcing water. However, the Group has been actively engaging employees on water conserving practices.
A2.5	Total packaging material used for finished products and per unit produced.	N/A The Group did not use any packaging materials for finished products.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects	Description	Page/Remark
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	53-61
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	53-61
A4 Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	56-58
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	56-58
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	46-49 The Group complied fully with all relevant employment laws and regulations, with no prosecution for a violation recorded.
B1.1	Total workforce by gender, employment type, age group and geographical region.	66
B1.2	Employee turnover rate by gender, age group and geographical region.	66
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	46-49 The Group has complied with all local occupational health and safety laws and regulations related to the building management and leasing businesses. In the year, there was no violation regarding any occupational hazards.
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	66
B2.2	Lost days due to work injury.	66
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	46-49

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects	Description	Page/Remark
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	46-49
B3.1	The percentage of employees trained by gender and employee category.	67
B3.2	The average training hours completed per employee by gender and employee category.	67
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	46-49
B4.1	Description of measures to review employment practices to avoid child and forced labour.	48
B4.2	Description of steps taken to eliminate such practices when discovered.	48
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	61
B5.1	Number of suppliers by geographical region.	67
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	61
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	61
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	61
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	50-52 The Group has complied with all relevant local laws and regulations relating to the building management and leasing businesses. In the year, there was no material non-compliance with relevant laws and regulations that had a significant impact on the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspects	Description	Page/Remark
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A The Group did not sell or ship any products.
B6.2	Number of products and service-related complaints received and how they are dealt with.	50-51
B6.3	Description of practices relating to observing and protecting intellectual property rights.	52
B6.4	Description of quality assurance process and recall procedures.	51-52
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	52
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	41 The Group has complied with all relevant local laws and regulations relating to the building management and leasing businesses. In the year, there were no corruption-related violations of any form.
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	41
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	41
B7.3	Description of anti-corruption training provided to directors and staff.	67
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	62-63
B8.1	Focus areas of contribution.	62-63
B8.2	Resources contributed to the focus area.	62-63

REPORT OF THE DIRECTORS

The board (the “Board”) of directors (the “Directors”) of Soundwill Holdings Limited (the “Company”) are pleased to present their report and the audited consolidated financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2022 (the “Consolidated Financial Statements”).

Business Review

A business review of the Group during 2022 is set out under:

- (1) the Chairman’s Statement on pages 4 to 5;
- (2) the Operations Review and Prospects on pages 8 to 17; and
- (3) the Management Discussion and Analysis on pages 18 to 20.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the subsidiaries include property development, property leasing and provision of building management services in Hong Kong and property development in the People’s Republic of China (“Mainland China”). Other particulars of the subsidiaries are set out in note 34 to the Consolidated Financial Statements.

Results and Dividend

The results of the Group for the year ended 31 December 2022 and the state of the Group’s and the Company’s affairs as at the date are set out in the Consolidated Financial Statements on pages 176 to 332.

The Board recommends a payment of a final dividend of HK\$0.2 (2021: HK\$0.2) per share and no payment of special dividend (2021: Nil) for the year ended 31 December 2022, subject to the approval of the shareholders at the forthcoming annual general meeting to be held on Thursday, 25 May 2023. The final dividend will be payable on or about Thursday, 15 June 2023 to shareholders whose names appear on the register of members on Friday, 2 June 2023.

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group during the year are set out in note 18 to the Consolidated Financial Statements.

Subsidiaries

Particulars of the Group’s principal subsidiaries are set out in note 34 to the Consolidated Financial Statements.

Borrowings

Particulars of the borrowings of the Group at the reporting date are set out in note 26 to the Consolidated Financial Statements.

Share Capital

Details of the movements in share capital of the Company during the year are set out in note 28 to the Consolidated Financial Statements.

Reserves

Details of the movements in reserves of the Group and the Company during the year are set out in the Consolidated Statement of Changes in Equity on pages 184 to 187 and note 29 to the Consolidated Financial Statements respectively.

Share Option Scheme

Particulars of the share option scheme, share options granted and movement set out in note 42 to the Consolidated Financial Statements.

REPORT OF THE DIRECTORS

Equity-linked Agreement

The Company did not enter into any equity-linked agreement during the financial year ended 31 December 2022.

Major Properties Held/Major Properties Under Development

Particulars of the major properties held by the Group and major properties under development of the Group are set out on pages 81 and 82 respectively.

Five-Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 83. This summary does not form part of the Consolidated Financial Statements.

Directors

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

Executive Directors:

Madam Foo Kam Chu Grace*

Ms. Chan Wai Ling (*Deputy Chairman*)

Mr. Chan Hing Tat (*Chairman*) (appointed as Chairman on 30 January 2023)

Mr. Tse Wai Hang

Independent Non-executive Directors:

Mr. Chan Kai Nang

Mr. Pao Ping Wing

Mr. Ng Chi Keung (passed away on 8 March 2023)

* Madam Foo Kam Chu Grace ceased as Chairman of the Board in order to pursue more time to her other personal commitments.

Pursuant to the Bye-Law 87(1) of the bye-law of the Company (the "Bye-Laws"), Madam Foo Kam Chu Grace, Ms. Chan Wai Ling and Mr. Pao Ping Wing will retire and being eligible, offer themselves for re-election at the forthcoming annual general meeting (the "AGM").

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to rule 3.13 of the Rules Governing the Listing of Securities (the "Listing Rules") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company considers that all the independent non-executive Directors are independent.

Directors' Material Interests in Transactions, Arrangements and Contracts

Saved as disclosed in this report and note 36 "Related Party Transactions" to the Consolidated Financial Statements, no transaction, arrangement or contract of significance to the Group's business to which the Company, or any of its subsidiaries, fellow subsidiaries or its parent company was a party and in which a Director of the Company or his/her connected entity had a material interest, whether directly or indirectly were entered into or subsisting during the financial year.

Directors' Service Contracts

Independent non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation in accordance with the Bye-Laws.

As at 31 December 2022, no Directors proposed for re-election at the AGM has a service contract with the Company, which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

REPORT OF THE DIRECTORS

Disclosure of Directors' Update Information

Change in the Directors' information since the disclosures made in the Company's 2022 interim report, which is required to be disclosed pursuant to the requirements of Rule 13.51B(1) of the Listing Rules is set out as below:

Name of Directors	Change
Foo Kam Chu Grace	Ceased as Chairman of the Board and chairman of the nomination committee of the Company on 30 January 2023 and is entitled to a monthly salary of HK\$200,000 with effect from 1 January 2023.
Chan Hing Tat	Appointed as Chairman of the Board and chairman of the nomination committee of the Company on 30 January 2023 and is entitled to a monthly salary of HK\$333,000 with effect from 1 January 2023.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations**1. Directors' Interests in the Company**

As at 31 December 2022, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")) which are required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have taken under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Long positions in the shares and underlying shares:

Name of Director	Capacity	Number of ordinary shares interested	Approximate percentage of the Company's total issued shares
Foo Kam Chu Grace	Beneficial owner and Beneficiary of a trust	210,566,630 ^(Note 1)	74.32%
Chan Wai Ling	Beneficiary of a trust	210,470,028 ^(Note 2)	74.29%
Chan Hing Tat	Beneficiary of a trust	210,470,028 ^(Note 3)	74.29%

REPORT OF THE DIRECTORS

Note 1: Madam Foo Kam Chu ("Madam Foo") was deemed to be interested in 210,566,630 shares of the Company in aggregate: (i) 96,602 shares of the Company was personally held by Madam Foo; (ii) 208,084,028 shares of the Company was held by Ko Bee Limited ("Ko Bee"), the entire issued share capital of which was held by a discretionary trust (the "Trust"). Madam Foo is a beneficiary of the Trust; and (iii) 2,386,000 shares of the Company was held by Full Match Limited ("Full Match"), a company wholly-owned by Ko Bee. Both Ko Bee and Full Match are incorporated in the British Virgin Islands with limited liability.

Note 2: Ms. Chan Wai Ling ("Ms. Chan") was deemed to be interested in 210,470,028 shares of the Company. Ms. Chan is a beneficiary of the Trust.

Note 3: Mr. Chan Hing Tat ("Mr. Chan") was deemed to be interest in 210,470,028 shares of the Company. Mr. Chan is a beneficiary of the Trust.

2. Directors' Interests in Associated Corporations

Name of Director	Name of associated corporations	Capacity	Number and class of shares held	Percentage of shareholding
Foo Kam Chu Grace	Ko Bee Limited	Beneficiary of a trust	1 ordinary share	100% ^(Note 4)
Chan Wai Ling	Ko Bee Limited	Beneficiary of a trust	1 ordinary share	100% ^(Note 4)
Chan Hing Tat	Ko Bee Limited	Beneficiary of a trust	1 ordinary share	100% ^(Note 4)
Foo Kam Chu Grace	Full Match Limited	Interest in controlled corporation and Beneficiary of a trust	1 ordinary share	100% ^(Note 4)
Chan Wai Ling	Full Match Limited	Interest in controlled corporation and Beneficiary of a trust	1 ordinary share	100% ^(Note 4)
Chan Hing Tat	Full Match Limited	Interest in controlled corporation and Beneficiary of a trust	1 ordinary share	100% ^(Note 4)

Note 4: The entire issued share capital of Ko Bee is held by the Trust. The entire issued share capital of Full Match is held by Ko Bee. Madam Foo, Ms. Chan and Mr. Chan are the beneficiaries of the Trust.

REPORT OF THE DIRECTORS

Save as disclosed above, as at 31 December 2022, none of the Directors and chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have taken under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares of the Company

As at 31 December 2022, the person(s) other than a Director or chief executive of the Company who have interests or short positions of 5% or more in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, was/were as follows:

1. Long Positions in the Shares

Name of shareholder	Capacity	Number of shares	Approximate percentage of shareholding
Century Pine (PTC) Limited	Trustee of a trust	210,470,028 ^(Notes 1&5)	74.29%
Ko Bee Limited	Beneficial owner and Interest of controlled corporation	210,470,028 ^(Notes 1&5)	74.29%

Note 5: Ko Bee is ultimately held under the Trust with Century Pine (PTC) Limited, which incorporated in the British Virgin Islands with limited liability, as trustee for Madam Foo and her family members (including Ms. Chan and Mr. Chan, both executive Director of the Company).

Save as disclosed above, as at 31 December 2022, the Company had not been notified by any person(s) (other than the Directors and chief executive of the Company, whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" above), who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Directors' Right to Acquire Shares and Debentures

Save as disclosed above at no time during the year ended 31 December 2022 were rights to subscribe for equity or debt securities of the Company granted to any Director or chief executive of the Company or to their spouse or children under 18 years of age as recorded in the register required to be kept under Part XV of the SFO, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable any such persons to acquire any such rights in any other body corporate.

Directors' Interests in Competing Business

During the year, no Director had any interests in any business which competed or were likely to compete, either directly or indirectly, with the Group's business.

Compliance with the Relevant Laws and Regulations

The Company complies with the requirements under the Companies Law of Bermuda, the Listing Rules and the SFO for, among other things, the disclosure of information and corporate governance.

The Group's subsidiaries are governed by the laws and regulations relating to taxation, foreign exchange, product quality, trademarks, environmental protection, labor and social insurance. Any non-compliance will impose fines or other serious penalty actions against the subsidiaries. We have implemented various measures to ensure compliance with such laws and regulations, including but not limited to consulting our legal adviser and tax professional.

During the year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that have a significant impact on the Group's business.

Principal Risks and Uncertainties

The Group is exposed to various risks in its businesses and operations. Through internal control systems and procedures, the Company has taken reasonable steps to ensure that significant risks are monitored and do not adversely affect the Group's operations and performances. The relevant risks are managed on an ongoing basis. A non-exhaustive list of principal risks and uncertainties facing the Group is set out below:

1. Market Risk

The Group's revenue is principally derived from Hong Kong. The conditions of the economy as a whole and the property market may have significant impact to the Group's financial results and conditions.

2. Compliance Risk

The Group's operations require compliance with local and overseas laws (including those of Mainland China, Bermuda, Cayman Islands and British Virgin Islands) and regulations, including but not limited to property sale, management and construction as well as companies and securities laws. The Group has constantly monitored its compliance with relevant laws and regulations that have a significant impact on the Group.

3. Construction Risk

The Group also engages in construction business. The Group has to ensure it can timely complete its construction projects under relevant time limits; within cost control and adherence to quality and specifications. Certain factors may adversely affect this operation including shortages of labour, equipment and/or materials; disputes with contractors and subcontractors; unfavourable or adverse weather conditions; accidents and changes in government policies and practices. Occurrence of one or more of these factors may potentially delay completion; result in cost overrun and/or leading to postponement of profit recognition to a subsequent financial year.

REPORT OF THE DIRECTORS

Permitted Indemnity

In accordance with the Bye-Law 166(1) provides that, among other, every director and other officers of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices and related matters provided that the indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of them.

In this connection, the Company has arranged Directors' and officers' liability insurance coverage for the Directors and officers of the Company during the year.

Connected Transaction

During the year, the Group has not entered into any connected transaction. The Company confirmed that it has complied with the disclosure requirement of a connected transaction in accordance with Chapter 14A of the Listing Rules by publication of an announcement.

Management Contracts

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

Major Customers and Suppliers

During the year, approximately 10% (2021: 18%) of the Group's purchases were attributable to the Group's largest supplier and approximately 32% (2021: 54%) of the Group's purchases were attributable to the Group's five largest suppliers.

During the year, approximately 11% (2021: 11%) of the Group's revenue was attributable to the Group's largest customer and approximately 20% (2021: 25%) of the Group's revenue was attributable to the Group's five largest customers.

None of the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued shares) has any interest in the Group's five largest suppliers or customers.

Retirement Benefits Scheme

The Group's Hong Kong employees participate in defined contribution scheme (the "MPF Schemes") registered under the Mandatory Provident Fund Scheme Ordinance (Cap. 485) ("MPFO"). As for the MPF Scheme, contributions are made by both the employers and the employees at the rate of 5% of the employees' basic monthly salaries. The Group also participates in the state-organised pension scheme (the "Scheme") operated by the Government of the Mainland China for its Mainland China employees and contributes a certain percentage of the employees' covered payroll to fund the benefits.

For the year ended 31 December 2022 and the year ended 31 December 2021, there was no forfeiture of retirement benefit scheme contribution (which was made by the Group as employers on behalf of employees who had left the scheme prior to the benefit contribution had fully vested) in the Group. As at 31 December 2022, there was no forfeited contribution under the retirement benefit schemes of the Group available to reduce the contributions payable in future years.

The Group's retirement costs charged to the profit and loss account for the year ended 31 December 2022 were HK\$4,152,000 (2021: HK\$3,637,000).

REPORT OF THE DIRECTORS

Environmental Policies and Performances

The Group remains firmly committed to operating as a socially-responsible company in all of its business operations. In its property development, the Group aims to efficiently use materials and resources. The Group's building management division promotes environmental awareness and takes steps to save energy and ensure efficient use of resources. The Group has formed a task group comprising of staff members from human resources and administration, corporate communications, finance and legal and is in the process of establishing and enhancing its environmental policies, procedures and performances.

The Group's environmental, social and governance report as set out in the section headed "Environmental, Social and Governance Report" on pages 31 to 71 laid out the details of the policies and attainments of the Company on the environmental and social aspects.

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

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

Pre-Emptive Rights

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

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of the Company's shares in the market as at the date of this report.

Auditor

Messrs. Deloitte Touche Tohmatsu, Certified Public Accountants ("Deloitte") will retire and a resolution for their re-appointment as auditor of the Company will be proposed to the AGM to re-appoint Deloitte as the auditor of the Company.

Annual General Meeting

The annual general meeting of the Company (the "AGM") will be held on Thursday, 25 May 2023 and the notice of AGM will be published and dispatched in the manner as required by the Listing Rules.

REPORT OF THE DIRECTORS

Closure of Register of Members

The Register of Members of the Company will be closed for the following periods:

- (a) For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 22 May 2023 to Thursday, 25 May 2023 (both dates inclusive), during which period no transfer of shares will be registered. The record date for determining shareholders of the Company entitled to attend the AGM will be Thursday, 25 May 2023. In order to be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 19 May 2023.
- (b) For determining the entitlement to the proposed final dividend for the year ended 31 December 2022, the register of members of the Company will be closed from Thursday, 1 June 2023 to Friday, 2 June 2023 (both dates inclusive), during which period no transfer of shares will be registered. The record date for determining shareholders of the Company entitled to receive the proposed final dividend will be Friday, 2 June 2023. In order to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 31 May 2023.

On behalf of the Board

Chan Hing Tat

Chairman

Hong Kong, 23 March 2023

MAJOR PROPERTIES HELD AS AT 31 DECEMBER 2022

Location	Approximate gross floor area (sq ft)	Interest attributable to the Group	Land use	Lease term
Soundwill Plaza 38 Russell Street, Causeway Bay, Hong Kong	245,100	100%	Commercial	Long-term lease
Soundwill Plaza II — Midtown 1–29 Tang Lung Street, Causeway Bay, Hong Kong	218,000	100%	Commercial	Long-term lease
10 Knutsford Terrace 10–11 Knutsford Terrace, Tsim Sha Tsui, Hong Kong	114,000	100%	Commercial	Long-term lease
THE SHARP G/F–2/F, 11–13 Sharp Street East and 1–1A Yiu Wa Street, Causeway Bay, Hong Kong	4,500	100%	Commercial	Long-term lease
Kai Kwong Commercial Building 332–334 Lockhart Road, Wan Chai, Hong Kong	33,000	100%	Commercial	Long-term lease

MAJOR PROPERTIES UNDER DEVELOPMENT AS AT 31 DECEMBER 2022

Location	Approximate gross floor area (sq ft)	Interest attributable to the Group	Project status	Expected completion date
Jones Hive 8 Jones Street, Tai Hang, Hong Kong	65,300	20.24%	Obtained occupation permit	—
111 Ta Chuen Ping Street, Kwai Chung, Hong Kong	190,000	100%	Construction in progress	2H 2023
尚薈海岸(景湖灣)一期(別墅) 高要市金渡鎮世紀大道旁	334,300	100%	Obtained certificate of final acceptance	—
尚薈海岸(景湖灣)二期(74-79棟) 高要市金渡鎮世紀大道旁	692,400	100%	Obtained certificate of final acceptance	—
尚薈海岸(景湖灣)三期(小高層) 高要市金渡鎮世紀大道旁	70,900	100%	Obtained certificate of final acceptance	—
譽名都(山水向日)一期(4/5/6棟) 珠海市斗門區新偉中街68號	227,900	100%	Obtained certificate of final acceptance	—
譽名都(山水向日)二期(2/3棟) 珠海市斗門區新偉中街68號	260,300	100%	Obtained certificate of final acceptance	—
譽名都(山水向日)二期(1/7棟) 珠海市斗門區新偉中街68號	263,400	100%	Obtained certificate of final acceptance	—

FIVE-YEAR FINANCIAL SUMMARY

The following is a summary of the consolidated results and of the consolidated assets and liabilities of Soundwill Holdings Limited and its subsidiaries for the last five financial years, as extracted from the published audited financial statements and restated upon the adoption of the revised/amended Hong Kong Financial Reporting Standards as appropriate. This summary does not form part of the audited consolidated financial statements.

Consolidated Results

	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000	2019 HK\$'000	2018 HK\$'000
Revenue (from continuing and discontinued operations)	478,376	568,891	690,290	733,872	980,398
(Loss)/profit before income tax expense	(181,671)	(746,092)	(127,396)	272,364	719,268
Income tax expense	(80,720)	(62,008)	(57,946)	(54,689)	(54,414)
(Loss)/profit for the year	(262,391)	(808,100)	(185,342)	217,675	664,854
(Loss)/profit for the year attributable to owners of the Company	(268,201)	(807,930)	(185,807)	217,782	671,592
Non-controlling interests	5,810	(170)	465	(107)	(6,738)
	(262,391)	(808,100)	(185,342)	217,675	664,854

Consolidated Assets and Liabilities

	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000	2019 HK\$'000	2018 HK\$'000
Non-current assets	19,551,946	20,005,379	20,807,087	21,375,608	20,680,068
Net current assets	1,464,845	142,669	1,365,213	1,088,643	388,706
Non-current liabilities	(1,841,157)	(606,348)	(1,785,319)	(1,858,715)	(612,555)
Non-controlling interests	(1,425)	(16,476)	(16,727)	(14,661)	(15,055)
Equity attributable to owners of the Company	19,174,209	19,525,224	20,370,254	20,590,875	20,441,164
Gearing ratio*	9%	10%	9%	9%	8%

* expressed as a percentage of total borrowing over total equity

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Deloitte.

德勤

TO THE SHAREHOLDERS OF SOUNDWILL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

致金朝陽集團有限公司列位股東

(於百慕達註冊成立之有限公司)

Opinion

We have audited the consolidated financial statements of Soundwill Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 176 to 332, which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, 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 (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

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

意見

本核數師(以下簡稱我們)已審計金朝陽集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)載列於第176至332頁的綜合財務報表，包括於二零二二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及其他全面收入表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映貴集團於二零二二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綜合現金流量，並已按照香港《公司條例》的披露規定妥為編製。

意見的基礎

我們已根據香港會計師公會頒佈的香港核數準則(「香港核數準則」)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。我們根據香港會計師公會的專業會計師道德守則(「守則」)獨立於貴集團，並根據守則履行我們其他道德責任。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意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matters

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

Key audit matter**關鍵審計事項****Valuation of investment properties****投資物業估值**

We identified the valuation of investment properties as a key audit matter due to the inherent level of complex and subjective judgements and estimates required in determining the fair values.

The Group's investment property portfolio comprises retail, commercial, industrial and residential properties located in Hong Kong and is stated at fair value of HK\$19,374,605,000, accounting for approximately 87% of the Group's total assets as at 31 December 2022 with a net fair value loss on investment properties of HK\$464,274,000 recognised in the consolidated statement of profit or loss and other comprehensive income for the year then ended as disclosed in note 17 to the consolidated financial statements.

我們識別投資物業估值作為關鍵審計事項，原因是釐定公平值本身的複雜程度，並需作出主觀判斷及估計。

貴集團的投資物業組合包括位於香港的零售、商業、工業及住宅物業，乃按公平值港幣19,374,605,000元列賬，佔貴集團於二零二二年十二月三十一日的總資產約87%，投資物業公平值虧損淨額港幣464,274,000元已於截至該日止年度的綜合損益及其他全面收入表內確認(見綜合財務報表附註17)。

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就此形成意見時處理。我們不會對這些事項提供單獨的意見。

How our audit addressed the key audit matter**我們在審計中處理關鍵審計事項的方式**

Our procedures in relation to the valuation of investment properties included:

- Evaluating the competence, capabilities, and objectivity of the Valuer and obtaining an understanding of the Valuer's scope of work and their terms of engagement;
- Evaluating the appropriateness of the Valuer's valuation approaches to assess if they meet the requirements of the HKFRSs and industry norms;

我們對投資物業估值進行的程序包括：

- 評估估值師的權能、能力及客觀性，並了解估值師的工作範圍及委聘條款；
- 評估估值師之估值方式是否適當，以評估其是否符合香港財務報告準則及行業慣例的規定；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matters (Continued)**Key audit matter (Continued)****關鍵審計事項(續)****Valuation of investment properties (Continued)****投資物業估值(續)**

The Group's investment properties are measured using the fair value model based on a valuation performed by an independent qualified professional valuer (the "Valuer"). As disclosed in notes 5 and 17 to the consolidated financial statements, in determining the fair values of the Group's completed investment properties, the Valuer has applied income capitalisation method or direct comparison method, as appropriate, for respective properties, which involves, inter-alia, certain estimates, including appropriate capitalisation rates, reversionary rental value and market transactions of comparable properties, as appropriate; whereas, in determining the fair values of the Group's investment properties under re-development, the Valuer has applied residual method which is dependent on the estimated gross development value, estimated cost of development and allowance of profit that duly reflected developer's risk associated with the development.

貴集團的投資物業乃根據獨立合資格專業估值師(「估值師」)進行的估值，採用公平值模式計量。誠如綜合財務報表附註5及17所披露，於釐定 貴集團已落成投資物業之公平值時，估值師已按各物業適用的情況應用收入資本化法或直接比較法，當中涉及(其中包括)適當資本化比率、復歸租值及可比較物業之市場交易(視適用情況而定)之若干估計。於釐定 貴集團之重建投資物業之公平值時，估值師已應用剩餘法，該方法取決於估計發展總值、估計發展成本及妥為反映發展商與發展項目相關之風險的溢利撥備。

關鍵審計事項(續)**How our audit addressed the key audit matter (Continued)****我們在審計中處理關鍵審計事項的方式(續)**

- Challenging the reasonableness and appropriateness of valuation models applied based on available market information and our knowledge of the property industry and whether the methodologies are consistent with those used in prior year; and
- Assessing the appropriateness and reasonableness of the key inputs used in the valuations, on a sample basis, based on evidence of comparable market transactions, existing tenancy profiles and other publicly available information of the property industry.
- 根據所得市場資料及我們對物業行業的認識，挑戰所應用估值模型的合理性及適當性，以及有關方法是否與過往年度所用者相符；及
- 根據可比的市場交易的證據、現有租約及房地產業的其他公開可得的資料，以抽樣的方式，評估在估值中所使用的主要數據的恰當性和合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matters (Continued)**Key audit matter (Continued)****關鍵審計事項(續)****Assessment of the net realisable values of properties for sale
評估待售物業之可變現淨值**

We identified the assessment of the net realisable values of the Group's properties for sale (the "PFS") as a key audit matter due to the subjective management judgements and estimates involved in the determination of the net realisable value (the "NRV") of the PFS.

As disclosed in note 19 to the consolidated financial statements, the Group had PFS of HK\$1,063,112,000 as at 31 December 2022. The Group's assessment of the carrying values of PFS, being the lower of cost and NRV, takes into account the selling price ultimately expected to be realised, the estimated costs to completion of the PFS and costs necessary to make the sale.

The management of the Group determines the estimated selling price of the PFS with reference to prevailing market data on most recent sale transactions of similar properties or market valuation reports available from independent qualified professional valuers, which takes into account the prevailing real estate market conditions.

Based on the management estimation of the NRV of the PFS and after taking into consideration the estimated costs to completion of the PFS and costs necessary to make the sale, no write-down of PFS was considered necessary for the year ended 31 December 2022.

我們識別 貴集團的待售物業(「待售物業」)可變現淨值評估作為關鍵審計事項，原因是釐定待售物業的可變現淨值(「可變現淨值」)時涉及管理層主觀判斷及估計。

誠如綜合財務報表附註19所披露，貴集團於二零二二年十二月三十一日的待售物業為港幣1,063,112,000元。貴集團評估待售物業的賬面值(即成本及可變現淨值兩者中的較低者)時，會考慮最終預期變現的售價、待售物業的估計完工成本及進行銷售所需的成本。

貴集團管理層釐定待售物業的估計售價時，會參考類似物業的最近銷售交易或獨立合資格專業估值師提供的市場估值報告內的當前市場數據，當中會考慮當前房地產市況。

根據管理層對待售物業可變現淨值作出的估計，並經考慮待售物業的估計完工成本及進行銷售所需的成本後，我們認為於截至二零二二年十二月三十一日止年度毋須撇減待售物業。

關鍵審計事項(續)**How our audit addressed the key audit matter (Continued)****我們在審計中處理關鍵審計事項的方式(續)**

Our procedures in relation to the assessment of the NRV of the PFS included:

- Evaluating the competence, capabilities, and objectivity of the Valuer and obtaining an understanding of the Valuer's scope of work and their terms of engagement;
- Assessing the reasonableness of the estimated selling price of the PFS estimated by the management or independent qualified professional valuers, on a sample basis, by comparing the estimated selling prices to the market prices achieved in the same projects or comparable properties, based on our knowledge of the Group's business and the real estate industry; and
- Assessing the reasonableness of the estimated cost to completion of the PFS estimated by the management, on a sample basis, by comparing it to the Group's development budget and the actual development cost of similar properties recently completed by the Group and by checking the actual cost incurred to date to construction contracts and other relevant documents.

我們評估待售物業的可變現淨值時進行的程序包括：

- 評估估值師的權能、能力及客觀性，並了解估值師的工作範圍及委聘條款；
- 根據我們對 貴集團業務及房地產行業的認識，透過比較估計售價與同一項目或可比較物業所達到的市價，抽樣評估管理層或獨立合資格專業估值師估計的待售物業估計售價是否合理；及
- 透過比較管理層估計的待售物業估計完工成本與 貴集團的發展預算及 貴集團近期落成的類似物業的實際發展成本，以及檢查建築合約及其他相關文件迄今產生的實際成本，抽樣評估管理層估計的待售物業估計完工成本是否合理。

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.

其他資料

貴公司董事須對其他資料負責。其他資料包括年報內的所有信息，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資料，我們亦不對該等其他資料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，我們須報告該事實。在這方面，我們沒有任何報告。

董事及管治層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港《公司條例》的披露規定擬備真實而公平的綜合財務報表，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。

管治層負責監督 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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條僅向閣下（作為整體）作出包括我們意見的核數師報告，除此之外別無其他目的。我們概不就本報告之內容，向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照香港核數準則進行的審計，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。

在根據香港核數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。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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.

核數師就審計綜合財務報表承擔的責任(續)

- 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。
- 評價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。
- 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。假若有關的披露不足，則我們應當發表非保留意見。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。
- 評價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相關交易和事項。
- 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，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督與執行。我們為審計意見承擔全部責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 Hung Suk Fan.

Deloitte Touche Tohmatsu*Certified Public Accountants*

Hong Kong

23 March 2023

核數師就審計綜合財務報表承擔的責任(續)

除其他事項外，我們與管治層溝通了計劃的審計範圍、時間安排、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。

我們還向管治層提交聲明，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，以及在適用的情況下，為消除威脅而採取的行動或相關的防範措施。

從與管治層溝通的事項中，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，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告之審計項目合夥人為洪淑芬。

德勤•關黃陳方會計師行*執業會計師*

香港

二零二三年三月二十三日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

			2022 二零二二年	2021 二零二一年 Restated 經重列
		Notes 附註	HK\$'000 港幣千元	HK\$'000 港幣千元
Revenue	收益			
Revenue from goods and services	貨品及服務收益		102,242	149,976
Rental income	租金收入		376,134	418,915
Total revenue	總收益	6	478,376	568,891
Cost of sales	銷售成本		(82,588)	(109,966)
Gross profit	毛利		395,788	458,925
Other income, gains and losses	其他收入、收益及虧損	7	52,776	25,234
Selling expenses	銷售費用		(3,629)	(7,017)
Administrative expenses	行政費用		(118,712)	(123,426)
(Loss)/gain on disposal of subsidiaries	出售附屬公司之(虧損)/收益	38	(788)	1,864
Net fair value loss on investment properties	投資物業公平值虧損淨額	17	(464,274)	(1,077,458)
Reversal of impairment loss on loan receivables	應收貸款減值虧損撥回	20	247	400
Finance costs	融資成本	9	(43,079)	(24,614)
Loss before income tax expense	除所得稅開支前虧損	10	(181,671)	(746,092)
Income tax expense	所得稅開支	13	(80,720)	(62,008)
Loss for the year	年內虧損		(262,391)	(808,100)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

		Notes 附註	2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 Restated 經重列 HK\$'000 港幣千元
Other comprehensive (expense)/income, net of tax	其他全面(開支)/收入，扣除稅項後	14		
<i>Item that will not be reclassified to profit or loss:</i>	<i>以下項目將不會重新分類到損益：</i>			
Change in fair value of financial assets at fair value through other comprehensive income ("FVTOCI")	按公平值計入其他全面收入(「按公平值計入其他全面收入」)之財務資產之公平值變動		(171)	559
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>以下項目其後可能重新分類到損益：</i>			
Exchange (loss)/gain on translation of foreign operations	換算海外業務之匯兌(虧損)/收益		(27,912)	18,922
Other comprehensive (expense)/income for the year, net of tax	年內其他全面(開支)/收入，扣除稅項後		(28,083)	19,481
Total comprehensive expense for the year	年內總全面開支		(290,474)	(788,619)
(Loss)/profit for the year attributable to:	應佔年內(虧損)/溢利：			
Owners of the Company	本公司擁有人		(268,201)	(807,930)
Non-controlling interests	非控股權益		5,810	(170)
			(262,391)	(808,100)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

		Notes 附註	2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 Restated 經重列 HK\$'000 港幣千元
Total comprehensive (expense)/income for the year attributable to:	應佔年內總全面(開支)/收入:			
Owners of the Company	本公司擁有人		(294,353)	(788,368)
Non-controlling interests	非控股權益		3,879	(251)
			(290,474)	(788,619)
Loss per share for loss attributable to owners of the Company for the year	本公司擁有人應佔年內虧損之每股虧損	16		
Basic	基本		HK\$港幣(0.95)元	HK\$港幣(2.85)元

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2022 於二零二二年十二月三十一日

		Notes 附註	2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Investment properties	投資物業	17	19,374,605	19,808,515
Property, plant and equipment	物業、廠房及設備	18	122,528	135,216
Financial assets at FVTOCI	按公平值計入其他全面收入 之財務資產	21	39,656	28,605
Deposits paid for acquisition of properties	收購物業之已付訂金		9,251	16,491
Loan receivables	應收貸款	20	5,906	16,552
Total non-current assets	總非流動資產		19,551,946	20,005,379
Current assets	流動資產			
Properties for sale	待售物業	19	1,063,112	888,704
Trade and other receivables	貿易及其他應收款項	20	174,070	151,757
Financial assets at fair value through profit or loss ("FVTPL")	按公平值計入損益 (「按公平值計入損益」)之 財務資產	21	38,884	2,815
Restricted bank deposits	受限制銀行存款	22	—	16,110
Short-term bank deposits	短期銀行存款	22	272,400	251,181
Cash and cash equivalents	現金及現金等價物	22	1,122,544	885,358
Assets classified as held for sale	分類為待售之資產	37	2,671,010 —	2,195,925 75,300
Total current assets	總流動資產		2,671,010	2,271,225
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	23	855,326	545,888
Contract liabilities	合約負債	24	120,568	47,186
Lease liabilities	租賃負債	25	20,912	13,729
Borrowings	借貸	26	87,728	1,396,158
Provision for income tax	所得稅撥備		121,631	125,595
Total current liabilities	總流動負債		1,206,165	2,128,556
Net current assets	淨流動資產		1,464,845	142,669
Total assets less current liabilities	總資產減流動負債		21,016,791	20,148,048

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2022 於二零二二年十二月三十一日

		Notes 附註	2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Non-current liabilities	非流動負債			
Borrowings	借貸	26	1,686,799	475,343
Lease liabilities	租賃負債	25	29,703	15,699
Deferred tax liabilities	遞延稅項負債	27	124,655	115,306
Total non-current liabilities	總非流動負債		1,841,157	606,348
Net assets	淨資產		19,175,634	19,541,700
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	28	28,331	28,331
Reserves	儲備	29	19,145,878	19,496,893
Non-controlling interests	非控股權益	35	19,174,209 1,425	19,525,224 16,476
Total equity	權益總額		19,175,634	19,541,700

The consolidated financial statements on pages 176 to 332 are authorised for issue by the board of directors on 23 March 2023 and are signed on behalf by:

第176至332頁之綜合財務報表於二零二三年三月二十三日獲董事會授權刊發，並由以下董事代為簽署：

Chan Hing Tat
陳慶達
Director
董事

Chan Wai Ling
陳慧苓
Director
董事

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

	Notes 附註	2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Operating activities	經營業務		
Loss before income tax expense	除所得稅開支前虧損	(181,671)	(746,092)
<i>Adjustments for:</i>	<i>就下列各項作出調整：</i>		
Interest income from financial assets at FVTPL	按公平值計入損益之財務資產之利息收入	(2,456)	(6,586)
Interest income from loan receivables	應收貸款利息收入	(533)	(1,058)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	—	65
Revaluation deficit on property, plant and equipment	物業、廠房及設備之重估虧損	120	520
Other interest income	其他利息收入	(25,162)	(7,401)
Interest expenses on borrowings	借貸利息支出	40,921	23,756
Interest expenses on lease liabilities	租賃負債利息支出	2,158	858
Depreciation of right-of-use assets	使用權資產折舊	7,206	8,762
Depreciation of other property, plant and equipment	其他物業、廠房及設備折舊	5,842	10,574
Reversal of impairment loss on loan receivables	應收貸款減值虧損撥回	(247)	(400)
Reversal of impairment loss on trade receivables, net	貿易應收款項減值虧損撥回淨額	(24)	(182)
Net fair value loss on investment properties	投資物業公平值虧損淨額	17	1,077,458
Gain/(loss) on disposal of subsidiaries and investment properties	出售附屬公司及投資物業之收益/(虧損)	38	(1,864)
Operating profit before working capital changes	營運資金轉變前之經營溢利	310,860	358,410
(Increase)/decrease in trade and other receivables	貿易及其他應收款項(增加)/減少	(23,627)	27,160
(Increase)/decrease in properties for sale	待售物業(增加)/減少	(188,821)	60,490
Decrease in restricted bank deposits	受限制銀行存款減少	16,110	47,972
Decrease in trade and other payables	貿易及其他應付款項減少	(9,339)	(67,094)
Increase in contract liabilities	合約負債增加	73,382	19,504
Net cash generated from operations	業務所得現金淨額	178,565	446,442
Income tax paid	已付所得稅	(75,171)	(53,124)
<i>Net cash generated from operating activities</i>	<i>經營業務所得現金淨額</i>	103,394	393,318

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

	Notes 附註	2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Investing activities			
投資活動			
Purchase of financial assets at FVTOCI		(11,182)	(28,046)
購買按公平值計入其他全面收入之財務資產			
Purchases of financial assets at FVTPL		(563,580)	(383,968)
購買按公平值計入損益之財務資產			
Proceed from disposal of financial assets at FVTPL		526,972	445,099
出售按公平值計入損益之財務資產所得款項			
Placement of short-term bank deposits		(2,220,504)	(251,181)
存放短期銀行存款			
Withdrawal of short-term bank deposits		2,199,285	425,668
提取短期銀行存款			
Repayment from loan receivables		12,157	1,843
應收貸款還款			
Additions to property, plant and equipment		(400)	(3,397)
增添物業、廠房及設備			
Proceeds from disposal of property, plant and equipment		—	28
出售物業、廠房及設備所得款項			
Proceeds from disposal of investment properties		6,827	—
出售投資物業所得款項			
Deposits refund/(paid) for acquisitions of properties		7,240	(7,240)
收購物業之退還/(已付)訂金			
Payment to acquire and construction of investment properties		(43,517)	(417,887)
收購及建設投資物業之付款			
Net cash inflows from disposal of subsidiaries	38	123,168	160,823
出售附屬公司之現金流入淨額			
Interest received from financial assets at FVTPL		2,456	6,586
按公平值計入損益之財務資產之已收利息			
Interest received from loan receivables		533	1,058
應收貸款已收利息			
Other interest received		25,162	7,401
其他已收利息			
Deposits received on disposal of subsidiaries		319,382	—
出售附屬公司之已收按金			
Deposit received on disposal of an investment property		—	1,500
出售投資物業之已收按金			
Net cash generated from/(used in) investing activities		383,999	(41,713)
投資活動所得/(所用)現金淨額			

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Financing activities	融資活動		
Repayments of bank loans	償還銀行貸款	(2,222,697)	(680,497)
Bank loans raised	籌集銀行貸款	2,125,723	700,000
Interest paid on borrowings	已付借貸利息	(40,921)	(23,756)
Interest paid on lease liabilities	已付租賃負債利息	(2,158)	(858)
Repayment of lease liabilities	償還租賃負債	(21,394)	(10,456)
Final and special dividends paid	已付末期及特別股息	(56,662)	(56,662)
Dividend paid to minority interest	已付少數權益股息	(18,930)	—
<i>Net cash used in financing activities</i>	<i>融資活動所用現金淨額</i>	(237,039)	(72,229)
Increase in cash and cash equivalents	現金及現金等價物增加	250,354	279,376
Cash and cash equivalents as at 1 January	於一月一日之現金及現金等價物	885,358	601,806
Effect of foreign exchange rate changes, net	匯率變動影響淨額	(13,168)	4,176
Cash and cash equivalents as at 31 December	於十二月三十一日之現金及現金等價物	1,122,544	885,358

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

		Equity attributable to owners of the Company 本公司擁有人應佔權益		
		Share capital 股本 HK\$'000 港幣千元	Share premium 股份溢價 HK\$'000 港幣千元	Capital redemption reserve 資本贖回 儲備 HK\$'000 港幣千元
As at 1 January 2022	於二零二二年一月一日	28,331	690,811	295
Loss for the year	年內虧損	—	—	—
Other comprehensive (expense)/income	其他全面(開支)/收入			
Change in fair value of financial assets at FVTOCI	按公平值計入其他全面收入之財務資產 之公平值變動	—	—	—
Exchange loss on translation of foreign operations	換算海外業務之匯兌虧損	—	—	—
Total comprehensive (expense)/income for the year	年內總全面(開支)/收入	—	—	—
Proposed final dividends for 2022 (note 15(a))	建議二零二二年末期股息 (附註15(a))	—	—	—
Dividends paid to non-controlling interest	已付非控股權益股息	—	—	—
Final dividends paid for 2021 (note 15(b))	已付二零二一年末期股息 (附註15(b))	—	—	—
As at 31 December 2022	於二零二二年十二月三十一日	28,331	690,811	295

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

Equity attributable to owners of the Company 本公司擁有人應佔權益							
Investment revaluation reserve 投資重估 儲備 HK\$'000 港幣千元	Retained profits 保留溢利 HK\$'000 港幣千元	Exchange reserve 匯兌儲備 HK\$'000 港幣千元	Special reserve 特別儲備 HK\$'000 港幣千元	Proposed final dividends 建議末期 股息 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元	Non- controlling interests 非控股權益 HK\$'000 港幣千元	Total equity 權益總額 HK\$'000 港幣千元
559	18,745,477	1,241	1,848	56,662	19,525,224	16,476	19,541,700
—	(268,201)	—	—	—	(268,201)	5,810	(262,391)
(171)	—	—	—	—	(171)	—	(171)
—	—	(25,981)	—	—	(25,981)	(1,931)	(27,912)
(171)	(268,201)	(25,981)	—	—	(294,353)	3,879	(290,474)
—	(56,662)	—	—	56,662	—	—	—
—	—	—	—	—	—	(18,930)	(18,930)
—	—	—	—	(56,662)	(56,662)	—	(56,662)
388	18,420,614	(24,740)	1,848	56,662	19,174,209	1,425	19,175,634

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

		Equity attributable to owners of the Company 本公司擁有人應佔權益		
		Share capital 股本 HK\$'000 港幣千元	Share premium 股份溢價 HK\$'000 港幣千元	Capital redemption reserve 資本贖回 儲備 HK\$'000 港幣千元
As at 1 January 2021	於二零二一年一月一日	28,331	690,811	295
Loss for the year	年內虧損	—	—	—
Other comprehensive income/(expense)	其他全面收入／(開支)			
Change in fair value of financial assets at FVTOCI	按公平值計入其他全面收入之財務資產 之公平值變動	—	—	—
Exchange gain on translation of foreign operations	換算海外業務之匯兌收益	—	—	—
Total comprehensive income/(expense) for the year	年內總全面收入／(開支)	—	—	—
Proposed final dividends for 2021 (note 15(a))	建議二零二一年末期股息 (附註15(a))	—	—	—
Final dividends paid for 2020 (note 15(b))	已付二零二零年末期股息 (附註15(b))	—	—	—
As at 31 December 2021	於二零二一年十二月三十一日	28,331	690,811	295

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

Investment revaluation reserve 投資重估 儲備 HK\$'000 港幣千元	Equity attributable to owners of the Company 本公司擁有人應佔權益				Proposed final dividends 建議末期 股息 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元	Non- controlling interests 非控股權益 HK\$'000 港幣千元	Total equity 權益總額 HK\$'000 港幣千元
	Retained profits 保留溢利 HK\$'000 港幣千元	Exchange reserve 匯兌儲備 HK\$'000 港幣千元	Special reserve 特別儲備 HK\$'000 港幣千元					
—	19,610,069	(17,762)	1,848	56,662	20,370,254	16,727	20,386,981	
—	(807,930)	—	—	—	(807,930)	(170)	(808,100)	
559	—	—	—	—	559	—	559	
—	—	19,003	—	—	19,003	(81)	18,922	
559	(807,930)	19,003	—	—	(788,368)	(251)	(788,619)	
—	(56,662)	—	—	56,662	—	—	—	
—	—	—	—	(56,662)	(56,662)	—	(56,662)	
559	18,745,477	1,241	1,848	56,662	19,525,224	16,476	19,541,700	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

1. General Information

Soundwill Holdings Limited (the “Company”) is a limited liability company incorporated and domiciled in Bermuda. The address of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 34 to the consolidated financial statements. The Company and its subsidiaries (the “Group”) is principally engaged in property development, property leasing and provision of building management services.

The directors of the Company (the “Directors”) consider the Company’s ultimate holding party to be a discretionary trust (the “Trust”), which Madam Foo Kam Chu Grace, executive director of the Company, and her family members (including Ms. Chan Wai Ling, executive director of the Company) are the beneficiaries of the Trust.

1. 一般資料

金朝陽集團有限公司(「本公司」)為於百慕達註冊成立與登記之有限公司，本公司註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。本公司股份在香港聯合交易所有限公司(「聯交所」)上市。

本公司主要業務為投資控股，其附屬公司之主要業務載於綜合財務報表附註34。本公司及其附屬公司(「本集團」)主要從事物業發展、物業租賃及提供樓宇管理服務。

本公司董事(「董事」)認為本公司之最終控股方為一項全權信託(「該信託」)，而本公司執行董事傅金珠女士及其家族成員(包括本公司執行董事陳慧苓小姐)為該信託之受益人。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

2. Application of Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

2.1 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 period beginning on or after 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual framework
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKFRS 16	Property, Plant and Equipment – Proceeds Before Intended Use
Amendments to HKFRS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

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

2. 應用經修訂香港財務報告準則 (「香港財務報告準則」)

2.1 於本年度強制生效之經修訂香港財務報告準則

於本年度，本集團編製綜合財務報表時首度應用自二零二二年一月一日或之後開始之年度期間強制生效的下列香港會計師公會(「香港會計師公會」)頒佈的經修訂香港財務報告準則：

香港財務報告準則第3號之修訂	概念性框架之提述
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之二零一九冠狀病毒病相關租金優惠
香港財務報告準則第16號之修訂	物業、廠房及設備 – 擬定用途前之所得款項
香港財務報告準則第37號之修訂	虧損性合約 – 履行合約之成本
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

於本年度應用經修訂香港財務報告準則對本集團本年度及過往年度的財務狀況及表現及／或該等綜合財務報表所載的披露事項並無產生重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

2. Application of Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

2.2 New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts and the related Amendments ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to HK Interpretation 5 (2020) ³
Amendments to HKAS 1	Non-current Liabilities with Covenants ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

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

² Effective for annual periods beginning on or after a date to be determined

³ Effective for annual periods beginning on or 1 January 2024

2. 應用經修訂香港財務報告準則 (「香港財務報告準則」)(續)

2.2 已頒佈惟尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第17號(包括二零二零年十月及二零二二年二月之香港財務報告準則第17號之修訂)	保險合約及相關修訂 ¹
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間之資產出售或投入 ²
香港財務報告準則第16號之修訂	售後租回之租賃負債 ³
香港會計準則第1號之修訂	負債分類為流動或非流動及相關香港詮釋第5號的修訂(二零二零年) ³
香港會計準則第1號之修訂	附帶契諾之非流動負債 ³
香港會計準則第1號及香港財務報告準則實務說明第2號之修訂	會計政策之披露 ¹
香港會計準則第8號之修訂	會計估計之定義 ¹
香港會計準則第12號之修訂	與單一交易產生之資產及負債相關的遞延稅項 ¹

¹ 於二零二三年一月一日或之後開始之年度期間生效

² 於待定期或之後開始之年度期間生效

³ 於二零二四年一月一日或之後開始之年度期間生效

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

2. Application of Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

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

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

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

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

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

2. 應用經修訂香港財務報告準則 (「香港財務報告準則」)(續)

2.2 已頒佈惟尚未生效的新訂及經修訂香港財務報告準則(續)

除下述香港會計準則修訂外，董事預期，應用所有其他新訂及經修訂香港財務報告準則將不會對可見將來的綜合財務報表造成重大影響。

香港會計準則第1號及香港財務報告準則實務說明第2號之修訂「會計政策之披露」

香港會計準則第1號已予修訂，以將「主要會計政策」一詞全部替換為「重大會計政策資料」。倘會計政策資料與實體財務報表所載之其他資料一併考慮時，可合理預期會影響通用財務報表主要用戶基於該等財務報表所作之決定，有關會計政策資料則屬重大。

該等修訂亦釐清，即使有關金額並不重大，會計政策資料亦可能因關聯交易、其他事件或條件之性質而屬重大。然而，並非所有與重大交易、其他事件或條件相關之會計政策資料本身均屬重大。倘實體選擇披露並不重大之會計政策資料，有關資料不得隱瞞重大會計政策資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

2. Application of Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

2.2 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” (Continued)

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

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

Amendments to HKAS 8 “Definition of Accounting Estimates”

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

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

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

2. 應用經修訂香港財務報告準則 (「香港財務報告準則」)(續)

2.2 已頒佈惟尚未生效的新訂及經修訂香港財務報告準則(續)

香港會計準則第1號及香港財務報告準則實務說明第2號之修訂「會計政策之披露」(續)

香港財務報告準則實務說明第2號作出重要性判斷(「實務說明」)亦有所修訂，以闡明實體如何將「四步重要性程序」應用於會計政策披露及判斷會計政策相關資料對其財務報表而言是否屬重大。實務說明內添加了指引和實例。

應用有關修訂預計不會對本集團之財務狀況或表現造成重大影響，但或會影響本集團主要會計政策之披露。有關應用之影響(如有)將於本集團日後之綜合財務報表中披露。

香港會計準則第8號之修訂「會計估計之定義」

該等修訂將會計估計界定為「存在計量不確定性之財務報表內之貨幣金額」。會計政策可要求以涉及計量不確定性的方式計量財務報表項目，換言之，會計政策可要求有關項目按無法直接觀察得出故而必須估計的貨幣金額計量。在此情況下，實體進行會計估計以達致會計政策所載之目標。進行會計估計涉及根據最近可得之可靠資料運用判斷或假設。

此外，香港會計準則第8號之會計估計變動概念得以保留，並有新增澄清。

應用有關修訂預計不會對本集團綜合財務報表造成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

2. Application of Amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

2.2 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”

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

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

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 investment properties, right-of-use assets and the lease liabilities.

The amendments are effective for the Group’s annual reporting periods beginning on 1 January 2023. The application of the amendments is not expected to have significant impact on the Group’s consolidated financial statements.

2. 應用經修訂香港財務報告準則 (「香港財務報告準則」)(續)

2.2 已頒佈惟尚未生效的新訂及經修訂香港財務報告準則(續)

香港會計準則第12號之修訂「與單一交易產生之資產及負債相關的遞延稅項」

該等修訂收窄了香港會計準則第12號「所得稅」第15及24段有關遞延稅項負債及遞延稅項資產確認例外情況的範圍，使其不再適用於初次確認時會導致應課稅及可扣減暫時性差額相等的交易。

誠如綜合財務報表附註4披露，本集團對相關資產及負債整體應用香港會計準則第12號之規定。與相關資產及負債有關之暫時性差額會按淨額基準評估。

應用有關修訂後，本集團將會就與投資物業、使用權資產及租賃負債相關之所有可扣減及應課稅暫時性差額確認遞延稅項資產(如可能有應課稅溢利可供動用可扣減暫時性差額)及遞延稅項負債。

有關修訂於二零二三年一月一日或之後開始的本集團年度報告期間生效。應用有關修訂預計不會對本集團之綜合財務報表造成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

3. Basis of Preparation**3.1 Statement of Compliance**

The consolidated financial statements on pages 176 to 332 have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

3.2 Basis of Measurement

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

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

3. 編製基準**3.1 合規聲明**

第176至332頁之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而編製。就編製綜合財務報表而言，倘有關資料合理預期會影響主要用戶作出的決定，則有關資料被視為重大。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例所規定之適用披露。

3.2 計量基準

綜合財務報表乃採用歷史成本法編製，惟按下文會計政策所載於各報告期末按公平值或重估金額計量之若干財務工具、投資物業及樓宇除外。

歷史成本一般以交換貨品及服務所給予代價之公平值為基準。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

3. Basis of Preparation (Continued)

3.2 Basis of Measurement (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” (“HKFRS 16”), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of assets”.

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. Fair value under HKFRS 13 “Fair value measurement” (“HKFRS 13”) is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

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

3. 編製基準(續)

3.2 計量基準(續)

公平值為市場參與者於計量日期在有序交易中出售資產將收取或轉讓負債將支付之價格，不論該價格是否直接可觀察或使用另一項估值技術估計。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之資產或負債特徵。在該等綜合財務報表中計量及／或披露之公平值均按此基礎上釐定，惟在香港財務報告準則第2號「股份支付」範圍內之以股份為基礎之支付交易、根據香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)入賬之租賃交易及與公平值部分類似但並非公平值之計量(如香港會計準則第2號「存貨」中的可變現淨值或香港會計準則第36號「資產減值」中的使用價值)除外。

計量非財務資產之公平值時，會考慮市場參與者透過按其最高及最佳用途使用資產或透過出售將按其最高及最佳用途使用資產之其他市場參與者而產生經濟利益之能力。香港財務報告準則第13號「公平值計量」(「香港財務報告準則第13號」)下之公平值為離場價格，不論該價格是否可直接觀察或使用其他估值技術估計。

對於按公平值及使用不可觀察數據輸入計量其後期間公平值之估值技術而交易之財務工具及投資物業，估值技術於初始確認時會作校準，以使估值技術結果等同交易價格。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

3. Basis of Preparation (Continued)

3.2 Basis of Measurement (Continued)

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

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

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised in note 4.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 5.

3.3 Functional and Presentation Currency

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

3. 編製基準(續)

3.2 計量基準(續)

此外，就財務報告而言，公平值計量根據公平值計量之數據輸入可觀察程度及數據輸入對公平值計量之整體重要性分類為第1級、第2級或第3級，載述如下：

- 第1級數據輸入是實體於計量日期可為相同資產或負債在活躍市場取得的報價(未作調整)；
- 第2級數據輸入是就資產或負債直接或間接可觀察之數據輸入(不包括第1級內之報價)；及
- 第3級數據輸入是就資產或負債不可觀察之數據輸入。

編製該等綜合財務報表所採用之主要會計政策在附註4概述。

謹請留意編製綜合財務報表曾運用會計估計及假設。雖然該等估計基於管理層對現時事件及行動之最佳理解及判斷，但實際結果最終或會與有關估計有出入。涉及高度判斷或複雜性之範圍，或假設及估計對綜合財務報表屬重大之範圍在附註5內披露。

3.3 功能及呈列貨幣

綜合財務報表乃以港幣(「港幣」)呈列，而港幣亦為本公司之功能貨幣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies

4.1 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved when the Company:

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

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

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

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

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

4. 主要會計政策概要

4.1 綜合基準

綜合財務報表包括本公司及由本公司及其附屬公司控制之實體之財務報表。

倘本公司達成以下條件，即取得控制權：

- 有權控制被投資方；
- 對其參與被投資方之浮動回報享有承擔或權利；及
- 能運用對被投資方之權力以影響其所得回報。

倘有事實及情況顯示上列三項控制元素中有一項或多項元素有變，本集團則重新評估其是否對被投資方擁有控制權。

當本集團取得附屬公司之控制權時，附屬公司即開始綜合入賬；當本集團失去對附屬公司之控制權時，附屬公司則不再綜合入賬。具體而言，年內所收購或所出售附屬公司之收入及開支，乃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及其他全面收入表。

損益及各其他全面收入項目乃歸屬於本公司擁有人及非控股權益。附屬公司之總全面收入乃歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘亦如是。

必要時會對附屬公司之財務報表作出調整，以使其會計政策符合本集團之會計政策。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.1 Basis of Consolidation (Continued)

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

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

Changes in the Group's interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs).

4.2 Joint Arrangements

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to 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 unanimous consent of the parties sharing control.

4. 主要會計政策概要(續)

4.1 綜合基準(續)

與本集團成員公司之間交易有關之所有集團內公司間資產及負債、權益、收入、開支及現金流量會於綜合賬目時全數對銷。

於附屬公司之非控股權益與本集團於當中之權益分開呈列，指賦予其持有人權利於清盤時按比例分佔相關附屬公司淨資產之現時擁有權權益。

本集團於現有附屬公司之權益變動

倘本集團失去附屬公司之控制權，則取消確認該附屬公司及非控股權益(如有)之資產及負債。收益或虧損會在損益中確認，並按下列兩者之差額計算：(i)所收取代價之公平值與任何保留權益之公平值之總額，與(ii)本公司擁有人應佔該附屬公司之資產(包括商譽)及負債之賬面值。過往就該附屬公司在其他全面收入確認之所有金額，會以猶如本集團已直接出售附屬公司之相關資產或負債之方式入賬(即重新分類至損益或轉撥至適用香港財務報告準則訂明／允許之其他權益類別)。

4.2 合營安排

於合營業務之權益

合營業務屬於合營安排，據此，共同控制有關安排之各方有權享有合營安排之資產，並承擔合營安排之負責責任。共同控制為各方在合約規限下同意分享安排之控制權，僅於就相關活動作出決定時必須經分享控制權之各方一致同意下始存在共同控制。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.2 Joint Arrangements (Continued)

Interests in joint operations (Continued)

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

4.3 Non-current assets held for sale

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

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

4. 主要會計政策概要(續)

4.2 合營安排(續)

於合營業務之權益(續)

本集團根據適用於個別資產、負債、收益及開支之香港財務報告準則，將其於合營業務之權益相關之資產、負債、收益及開支入賬。

當集團實體與合營業務交易而集團實體為合營營運方(如銷售或貢獻資產)，本集團被視為與合營業務之其他各方交易，則交易產生之盈虧只限於合營業務其他各方權益之部分，方可於綜合財務報表內確認。

當集團實體與合營業務交易而集團實體為合營營運方(如購買資產)，本集團不會確認其分佔之盈虧，直至該等資產轉售予第三方為止。

4.3 待售非流動資產

倘非流動資產(及出售組別)之賬面值將主要透過銷售交易而非持續使用而收回，則分類為待售。僅當資產(或出售組別)在其現況下可以立即出售(僅受制於對該資產(或出售組別)之銷售屬通常及慣常之條款)，並且極有可能出售時，才會被視為滿足此條件。管理層必須致力銷售，預計在分類之日起計一年內，該銷售有資格確認為已完成的銷售。

當本集團致力於涉及失去對附屬公司控制權之銷售計劃時，該附屬公司之所有資產及負債在符合上述準則時分類為待售，而不論本集團會否在銷售後保留其於相關附屬公司之非控股權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.3 Non-current assets held for sale (Continued)

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal, except for financial assets within the scope of HKFRS 9 “Financial Instruments” (“HKFRS 9”) and investment properties which continue to be measured in accordance with the accounting policies as set out in respective sections.

4.4 Investment Properties

Investment properties are properties held to earn rental income and/or for capital appreciation (including properties under construction or held for future development for such purposes).

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

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

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

4. 主要會計政策概要(續)

4.3 待售非流動資產(續)

分類為待售之非流動資產(及出售組別)按其先前賬面值與公平值減出售成本兩者中之較低者計量，惟屬於香港財務報告準則第9號「財務工具」(「香港財務報告準則第9號」)範圍內之財務資產及投資物業則繼續根據各節所載之會計政策計量。

4.4 投資物業

投資物業是指為賺取租金收入及／或資本增值而持有之物業(包括為該等目的之在建或持作未來發展之物業)。

投資物業乃按成本(包括任何直接應佔開支)初步計量。經首次確認後，投資物業按公平值計量，經調整以排除任何預付或應計經營租賃收入。

投資物業公平值變動所產生之收益或虧損於產生期間計入損益。

在建投資物業產生之建設成本予以資本化為在建投資物業之賬面值一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.4 Investment Properties (Continued)

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the properties) is included in profit or loss in the period in which the property is derecognised.

4.5 Property, Plant and Equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes.

Buildings held for own use are stated at revalued amount, being their fair value at the date of the revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as “right-of-use assets” in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

4. 主要會計政策概要(續)

4.4 投資物業(續)

投資物業於出售或當投資物業永久棄置或預期不會自出售獲取任何未來經濟利益時取消確認。取消確認物業時產生之任何盈虧(按淨出售所得款項及物業賬面值之差額計算)於取消確認物業期間納入損益。

4.5 物業、廠房及設備

物業、廠房及設備為持有以供生產或供應商品或服務，或作行政用途的有形資產。

持作自用之樓宇按重估金額列賬，即其於重估日期之公平值減任何其後累計折舊及其後累計減值虧損。

當本集團就於物業的擁有權權益(包括租賃土地及樓宇部分)付款時，全部代價於租賃土地及樓宇部分之間按初始確認時的相對公平值的比例分配。在相關付款可作可靠分配的情況下，租賃土地權益於綜合財務狀況表中呈列為「使用權資產」，惟按公平值模式分類及入賬為投資物業者除外。當代價無法在相關租賃土地的非租賃樓宇部分及未分割權益之間可靠分配時，整項物業分類為物業、廠房及設備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.5 Property, Plant and Equipment (Continued)

Any revaluation increase arising from revaluation of property, plant and equipment is recognised in other comprehensive income and accumulated in asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognise in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of property, plant and equipment is recognised in profit or loss to the extent that it exceeds the balance, if any, on the asset revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to retained profits.

Other items of property, plant and equipment, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and any accumulated impairment losses, if any.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items. 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 and capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

4. 主要會計政策概要(續)

4.5 物業、廠房及設備(續)

重估物業、廠房及設備產生的任何重估增值會於其他全面收入確認及於資產重估儲備中累計，惟撥回同一資產先前已於損益中確認之重估減值情況則除外，在此情況下，有關增值計入損益內，惟以先前列支之減值為限。重估物業、廠房及設備產生之賬面淨值減少會於損益內確認，惟以其超出該資產先前所作重估之相關資產重估儲備之餘額(如有)為限。其後出售或報廢已重估資產時，應佔重估盈餘轉撥至保留溢利。

其他物業、廠房及設備項目乃按成本減其後累計折舊及任何累計減值虧損(如有)於綜合財務狀況表列賬。

物業、廠房及設備之成本包括其購買價及收購項目直接應佔成本。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，以及(就合資格資產而言)按本集團會計政策予以資本化的借貸成本。該等資產按與其他物業資產相同的基準，於該等資產可投入作擬定用途時開始計提折舊。其後成本計入資產之賬面值或於適當時確認為獨立資產，惟前提為有關該項目之未來經濟利益很可能流入本集團及該項目之成本能可靠計算。所有其他成本(如維修及保養)在其產生之財政期間內於損益中確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.5 Property, Plant and Equipment (Continued)

Depreciation is recognised so as to write off the cost or valuation of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

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

4. 主要會計政策概要(續)

4.5 物業、廠房及設備(續)

折舊按物業、廠房及設備之估計可用期採用直線法確認以撇銷其成本或估值減剩餘價值。

估計可用期、剩餘價值及折舊方法須於各報告期末進行檢討，而任何估計變動之影響會按未來基準入賬。

倘資產之賬面值高於其估計可收回金額，則資產即時撇減至其可收回金額。

物業、廠房及設備項目會在出售時或預期不會因繼續使用資產而產生未來經濟利益時取消確認。物業、廠房及設備項目的出售或廢棄所產生之任何盈虧釐定為出售所得款項與資產賬面值之差額，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 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.6 Impairment of Other Non-Financial Assets

At the end of the reporting period, the Group reviews the carrying amounts of the non-financial assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of non-financial assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

4. 主要會計政策概要(續)

4.6 其他非財務資產減值

於報告期末，本集團審閱非財務資產之賬面值，以釐定有否任何跡象顯示該等資產已出現減值虧損。如有任何該等跡象，則估計有關資產之可收回金額，以釐定減值虧損(如有)之程度。

非財務資產之可收回金額會個別估計。倘無法個別估計可收回金額，本集團則估計資產所屬現金產生單位之可收回金額。

於進行現金產生單位的減值測試時，倘能建立合理一致的分配基準，企業資產會獲分配至相關現金產生單位，否則會按可建立的合理且一致的分配基準分配至最小的現金產生單位組別。可收回金額按企業資產所屬現金產生單位或現金產生單位組別釐定，並與相關現金產生單位或現金產生單位組別的賬面值作比較。

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，會使用可反映市場當前對貨幣時間價值及未調整未來現金流量估計之資產(或現金產生單位)之特有風險所作評估之稅前折現率，將估計未來現金流量折現至其現值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.6 Impairment of Other Non-Financial Assets (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, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

4. 主要會計政策概要(續)

4.6 其他非財務資產減值(續)

倘估計資產(或現金產生單位)之可收回金額少於其賬面值，則資產(或現金產生單位)之賬面值將調減至其可收回金額。就未能按合理一致基準分配至現金產生單位的企業資產或一部分企業資產而言，本集團會將一組現金產生單位的賬面值(包括分配至該現金產生單位組別的企業資產或一部分企業資產的賬面值)與該組現金產生單位的可收回金額作比較。分配減值虧損時，減值虧損首先分配以調減任何商譽(倘適用)之賬面值，然後按比例根據該單位或現金產生單位組別各資產之賬面值分配至其他資產。資產賬面值不得減少至低於其公平值減出售成本(如可計量)、其使用價值(如可釐定)及零之中的最高者。原應分配至該資產之減值虧損金額會按比例分配至該單位或現金產生單位組別之其他資產。

減值虧損即時於損益中確認，除非有關資產根據其他準則按重估金額列賬，則在該情況下，減值虧損乃根據該準則作為重估減值處理。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.6 Impairment of Other Non-Financial Assets (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

4.7 Leases

Definition of a lease

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

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

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

4. 主要會計政策概要(續)

4.6 其他非財務資產減值(續)

倘減值虧損其後撥回，該資產(或現金產生單位或一組現金產生單位)之賬面值增加至其可收回金額之修訂估計，惟所增加之賬面值不得超過該資產(或現金產生單位或一組現金產生單位)於過往年度並無確認減值虧損時原應釐定之賬面值。減值虧損撥回即時於損益確認，除非相關資產根據另一項準則按重估金額列賬，在此情況下，減值虧損撥回則按該準則視作重估增值處理。

4.7 租賃

租賃之定義

凡於一段時期內將控制已識別資產用途之權利出讓以換取代價之合約，均屬於或包括一項租賃。

對於初步應用香港財務報告準則第16號當日或之後訂立或修訂或因業務合併產生之合約，本集團會於訂立、修訂或收購日期(倘適用)根據香港財務報告準則第16號下之定義評估合約是否屬於或包含租賃。除非合約之條款及條件其後有所改動，否則不會重新評估有關合約。

作為實際權宜情況，當本集團合理預期對綜合財務報表之影響不會與組合內之個別租賃出現重大差異時，具有類似特點之租賃則會按組合基準入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.7 Leases (Continued)

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of car parks 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 over the lease term.

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

4. 主要會計政策概要(續)

4.7 租賃(續)

本集團作為承租人

將代價分配至合約組成部分

對於包含一個租賃組成部分以及一個或以上額外租賃或非租賃組成部分的合約，本集團根據租賃組成部分之相對獨立價格及非租賃組成部分之獨立價格總額，將合約代價分配至各租賃組成部分。

本集團應用可行權宜方法不將非租賃組成部分與租賃組成部分分開，而是將租賃組成部分及任何相關非租賃組成部分作為單一租賃組成部分入賬。

短期租賃及低價值資產租賃

本集團對租期由開始日期起計12個月或以下且不含購買選擇權的停車位及辦公室物業，應用短期租賃確認豁免。本集團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之租賃付款在租期內按直線法確認為開支。

使用權資產

使用權資產之成本包括：

- 租賃負債之初始計量金額；
- 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；
- 本集團產生之任何初始直接成本；及

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.7 Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

- 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.

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 in “property, plant and equipment”, the same line item within which the corresponding underlying assets would be presented if they were owned.

Refundable rental deposits

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

Lease liabilities

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

4. 主要會計政策概要(續)

4.7 租賃(續)

本集團作為承租人(續)

使用權資產(續)

- 本集團拆除及移除相關資產、修復相關資產位處之地盤或將相關資產修復至租賃條款及條件所要求之狀況將予產生之成本估計。

使用權資產按成本減去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。

本集團合理確定可於租期結束時取得相關租賃資產擁有權之使用權資產，乃由開始日期起至可用期完結止計提折舊。否則，使用權資產會按其估計可用期及租期兩者中之較短者，以直線法計提折舊。

本集團將使用權資產列入「物業、廠房及設備」，即呈列相應相關資產(倘擁有)之同一項目。

可退還租金按金

已付可退還租金按金乃根據香港財務報告準則第9號入賬，初步按公平值計量。於初始確認時作出之公平值調整，視為額外租賃付款，並計入使用權資產成本。

租賃負債

本集團於租賃開始日期，按該日尚未支付之租賃付款現值確認及計量租賃負債。計算租賃付款現值時，倘無法輕易確定租賃隱含之利率，本集團則使用於租賃開始日期之增量借貸利率。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.7 Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

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) whenever the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

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

Lease modifications

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

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

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, 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.

4. 主要會計政策概要(續)

4.7 租賃(續)

本集團作為承租人(續)

租賃負債(續)

租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠。

在開始日期後，租賃負債會按利息增值及租賃付款予以調整。

倘租期有變或對行使購買選擇權之評估有變(在此情況下，則於重估日期使用經修訂折現率折現經修訂之租賃付款，以重新計量相關租賃負債)，本集團會重新計量租賃負債(並對相關使用權資產作出相應調整)。

本集團在綜合財務狀況表中將租賃負債作為單獨的項目呈列。

租賃修訂

本集團會在以下情況將租賃修訂入賬作為獨立租賃：

- 有關修訂加入了一項或多項相關資產之使用權，令租賃範圍擴大；及
- 租賃代價增加，增加金額相當於擴大範圍對應之獨立價格，加上按照特定合約情況對該獨立價格作出之任何適當調整。

對於非入賬為獨立租賃之租賃修訂，本集團會使用於修訂生效日期之經修訂折現率折現經修訂之租賃付款，以按照經修訂租賃之租期重新計量租賃負債(減去任何應收租賃優惠)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.7 Leases (Continued)

The Group as a lessee (Continued)

Lease modifications (Continued)

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Classification and measurement of leases

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

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

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

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 "Revenue from Contracts with Customers" ("HKFRS 15") to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

4. 主要會計政策概要(續)

4.7 租賃(續)

本集團作為承租人(續)

租賃修訂(續)

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。當經修訂合約包含租賃組成部分以及一個或多個額外租賃或非租賃組成部分時，本集團根據租賃組成部分的相對獨立價格及非租賃組成部分的總獨立價格，將經修訂合約中的代價分配至每個租賃組成部分。

本集團作為出租人

租賃的分類及計量

本集團作為出租人的租賃分類為融資租賃或經營租賃。當租賃的條款實質上將與相關資產所有權相關的所有風險及報酬轉讓給承租人時，該項合約被歸類為融資租賃。所有其他租賃應歸類為經營租賃。

經營租賃的租金收入在相關租賃期限內按照直線法於損益確認。磋商及安排經營租賃時產生的初始直接成本計入租賃資產的賬面值，有關成本於租賃期內按直線法確認為開支，惟按公平值模式下計量的投資物業除外。

本集團日常業務過程產生之租金收入乃呈列為收益。

將代價分配至合約的組成部分

當合約同時包含租賃及非租賃組成部分時，本集團會採用香港財務報告準則第15號「客戶合約的收入」(「香港財務報告準則第15號」)，將合約的代價分配至租賃及非租賃組成部分。非租賃組成部分將根據其相對獨立銷售價格與租賃組成部分分開。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.7 Leases (Continued)

The Group as a lessor (Continued)

Refundable rental deposits

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

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

4.8 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.

4. 主要會計政策概要(續)

4.7 租賃(續)

本集團作為出租人(續)

可退還租金按金

已收的可退還租金按金根據香港財務報告準則第9號進行核算，並且按公平值進行初始計量。初始確認時的公平值調整視為承租人的額外租賃付款。

租賃修訂

不屬於原始條款和條件的租約代價變更將作為租賃修訂處理，包括通過寬免或減少租金提供的租賃優惠。

由修訂生效日期起，本集團將經營租賃的修訂列作新租賃入賬，當中將與原有租賃相關的任何預付或應計租賃款項，視作新租賃的部分租賃款項。

4.8 財務工具

財務資產及財務負債乃在集團實體成為工具合約條文之訂約方時確認。所有按一般方式買賣之財務資產乃按交易日基準確認及取消確認。按一般方式買賣指規定於按市場規則或慣例設定之時限內交付資產之財務資產買賣。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.8 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 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.

4.8.1 Financial assets

Classification and subsequent measurement of financial assets

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

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

4. 主要會計政策概要(續)

4.8 財務工具(續)

財務資產及財務負債初步按公平值計量，惟由客戶合約產生之貿易應收款項則根據香港財務報告準則第15號初步計量。因收購或發行財務資產及財務負債(不包括按公平值計入損益之財務資產或財務負債)而直接產生之交易成本，於初步確認時於該等財務資產或財務負債之公平值中計入或扣除(視適用情況而定)。因收購按公平值計入損益之財務資產或財務負債而直接產生之交易成本，乃即時於損益確認。

實際利率法為計算財務資產或財務負債攤銷成本及於有關期間內分配利息收入及利息開支之方法。實際利率為於財務資產或財務負債之預計年期或(如適當)較短期間內，將估計未來現金收入及付款準確貼現至初步確認時之賬面淨值之利率(包括構成實際利率組成部分之所有已付或已收費用及點子、交易成本及其他溢價或折讓)。

4.8.1 財務資產

財務資產之分類及其後計量

符合以下條件之財務資產其後按攤銷成本計量：

- 財務資產在以收回合約現金流量為目的之業務模式下持有；及
- 合約條款於特定日期產生完全用作支付本金及未償還本金利息之現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.8 Financial Instruments (Continued)

4.8.1 Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

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

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

All other financial assets are subsequently measured at FVTPL, except that at the 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 (“OCI”) if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 “Business Combinations” applies.

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

4. 主要會計政策概要(續)

4.8 財務工具(續)

4.8.1 財務資產(續)

財務資產之分類及其後計量(續)

符合以下條件之財務資產其後按公平值計入其他全面收入計量：

- 財務資產在透過出售及收回合約現金流量達到目的之業務模式下持有；及
- 合約條款於特定日期產生完全用作支付本金及未償還本金利息之現金流量。

所有其他財務資產其後按公平值計入損益計量，惟於初步確認財務資產日期，倘該股本投資既非持作買賣亦非收購方在香港財務報告準則第3號「業務合併」適用之業務合併中確認之或然代價，本集團則可不可撤回地選擇於其他全面收入（「其他全面收入」）呈列股本投資公平值之其後變動。

另外，本集團可不可撤回地將須按攤銷成本或按公平值計入其他全面收入計量之財務資產指定為按公平值計入損益計量，前提是此方法可消除或大幅減少會計錯配。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.8 Financial Instruments (Continued)

4.8.1 Financial assets (Continued)

Amortised cost and interest income

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

Equity instruments designated as at FVTOCI

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

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

4. 主要會計政策概要(續)

4.8 財務工具(續)

4.8.1 財務資產(續)

攤銷成本及利息收入

就其後按攤銷成本計量之財務資產而言，利息收入乃採用實際利率法確認。利息收入乃於財務資產之賬面總值應用實際利率計量，惟其後出現信貸減值之財務資產除外(見下文)。就其後出現信貸減值之財務資產而言，利息收入乃自下一報告期起對財務資產之攤銷成本應用實際利率確認。倘出現信貸減值之財務工具之信貸風險有所改善，以致財務資產不再出現信貸減值，則自確定資產不再出現信貸減值後之報告期開始起，對財務資產之賬面總值應用實際利率確認利息收入。

指定按公平值計入其他全面收入之權益工具

按公平值計入其他全面收入之權益工具投資其後按公平值計量，公平值變動產生之收益及虧損於其他全面收入確認，並於投資重估儲備累計，無須進行減值評估。累計收益或虧損將不會重新分類至出售股本投資之損益，並會轉撥至保留溢利。

來自該等權益工具投資之股息在本集團收取股息之權利確立時於損益確認，但如有關股息明顯為收回投資之部分成本則屬例外。股息計入損益內之其他收入、收益及虧損一項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.8 Financial Instruments (Continued)

4.8.1 Financial assets (Continued)

Financial assets at FVTPL

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

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

4. 主要會計政策概要(續)

4.8 財務工具(續)

4.8.1 財務資產(續)

按公平值計入損益之財務資產倘財務資產不符合按攤銷成本計量或按公平值計入其他全面收入或指定為按公平值計入其他全面收入之準則，則按公平值計入損益計量。

按公平值計入損益之財務資產於報告期末按公平值計量，並在損益中確認任何公平值收益或虧損。於損益確認之盈虧淨額不包括財務資產所賺取之任何股息或利息，並計入「其他收入、收益及虧損」項目。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.8 Financial Instruments (Continued)

4.8.1 Financial assets (Continued)

Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade and other receivables, loan receivables, restricted bank deposits, short-term bank deposits and cash and cash equivalents) and financial guarantee contracts 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 represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for each debtor.

4. 主要會計政策概要(續)

4.8 財務工具(續)

4.8.1 財務資產(續)

財務資產之減值

本集團根據預期信貸虧損(「預期信貸虧損」)模式就根據香港財務報告準則第9號須減值評估之財務資產(包括貿易及其他應收款項、應收貸款、受限制銀行存款、短期銀行存款以及現金及現金等價物)及財務擔保合約作出減值評估。預期信貸虧損金額乃於各報告日期更新，以反映信貸風險自初步確認以來之變動。

使用期預期信貸虧損即指於相關工具之預期年期內因所有可能之違約事件而產生之預期信貸虧損。相反，12個月預期信貸虧損指於報告日期後12個月內可能發生之違約事件預計產生之部分使用期預期信貸虧損。評估乃根據本集團過往之信貸虧損經驗進行，再就債務人之具體因素、整體經濟狀況以及對於報告日期之當前狀況和未來狀況預測所作之評估而作出調整。

本集團一直就貿易應收款項確認使用期預期信貸虧損。該等資產之預期信貸虧損會就各債務人個別進行評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.8 Financial Instruments (Continued)

4.8.1 Financial assets (Continued)

Impairment of financial assets (Continued)

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

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

4. 主要會計政策概要(續)

4.8 財務工具(續)

4.8.1 財務資產(續)

財務資產之減值(續)

就所有其他工具而言，本集團會計量相等於12個月預期信貸虧損之虧損撥備，除非信貸風險自初步確認以來顯著增加，本集團則確認使用期預期信貸虧損。評估應否確認使用期預期信貸虧損，乃根據自初步確認以來發生之違約可能性或風險是否顯著增加而定。

- (i) 信貸風險顯著增加
在評估信貸風險是否自初步確認以來顯著增加時，本集團會比較於報告日期財務工具發生違約事件的風險與於初步確認日期財務工具發生違約事件的風險。在作出此評估時，本集團會同時考慮合理可靠的定量及定性資料，包括過往經驗及無需付出不必要成本或努力而可取得的前瞻性資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.8 Financial Instruments (Continued)

4.8.1 Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)
In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

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

4. 主要會計政策概要(續)

4.8 財務工具(續)

4.8.1 財務資產(續)

財務資產之減值(續)

(i) 信貸風險顯著增加(續)
尤其是，評估信貸風險是否顯著增加時會考慮以下資料：

- 財務工具之外部(如有)或內部信貸評級實際或預期會出現重大惡化；
- 信貸風險之外部市場指標出現重大惡化，例如信貸息差顯著增加、債務人之信貸違約掉期價格；
- 業務、財務或經濟狀況之現有或預測不利變動，而預期會導致債務人履行其債務責任之能力大減；
- 債務人之經營業績實際或預期會顯著轉壞；或
- 債務人之監管、經濟或技術環境實際或預期會出現重大不利變動，而導致債務人履行其債務責任之能力大減。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.8 Financial Instruments (Continued)

4.8.1 Financial assets (Continued)

Impairment of financial assets (Continued)

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

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of “investment grade” as per globally understood definitions.

4. 主要會計政策概要(續)

4.8 財務工具(續)

4.8.1 財務資產(續)

財務資產之減值(續)

- (i) 信貸風險顯著增加(續)
不論上述評估結果如何，本集團假設倘合約付款逾期超過30日，則信貸風險自初步確認以來已顯著增加，除非本集團有合理可靠之資料證明信貸風險並無顯著增加，則作別論。

儘管上文所述，倘債務工具於報告日期獲釐定為低信貸風險，本集團則假設該債務工具之信貸風險自初步確認以來並無顯著增加。倘i)債務工具之違約風險偏低；ii)借款人有強大能力於近期內履行其合約現金流量責任；及iii)長期之經濟及業務狀況不利變動可能但不一定會削減借款人履行其合約現金流量責任之能力，該債務工具則釐定為低信貸風險。倘按全球通用定義債務工具之內部或外部信貸評級為「投資級別」，本集團則視該債務工具為低信貸風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.8 Financial Instruments (Continued)

4.8.1 Financial assets (Continued)

Impairment of financial assets (Continued)

- (i) Significant increase in credit risk (Continued)
For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

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.

4. 主要會計政策概要(續)

4.8 財務工具(續)

4.8.1 財務資產(續)

財務資產之減值(續)

- (i) 信貸風險顯著增加(續)
就財務擔保合約而言，本集團成為不可撤銷承擔一方之日被視為就減值評估進行初始確認之日。在評估信貸風險自財務擔保合約初步確認以來是否有顯著增加時，本集團會考慮特定債務人違反合約之風險變動。

本集團定期監察用以識別信貸風險是否顯著增加之準則之成效，並會在適用情況下加以修訂，以確保有關準則能夠在有關金額逾期前識別信貸風險是否有顯著增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.8 Financial Instruments (Continued)

4.8.1 Financial assets (Continued)

Impairment of financial assets (Continued)

- (ii) Definition of default
The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.
- (iii) Credit-impaired financial assets
A financial asset is credit-impaired when one or more events 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;

4. 主要會計政策概要(續)

4.8 財務工具(續)

4.8.1 財務資產(續)

財務資產之減值(續)

- (ii) 違約之定義
本集團認為，當財務資產逾期超過90日，即已發生違約，除非本集團有合理可靠之資料證明有更滯後的違約準則更為合適，則作別論。
- (iii) 信貸減值之財務資產
當發生對財務資產之估計未來現金流量構成不利影響之一項或多項事件，該財務資產即出現信貸減值。財務資產出現信貸減值之證據包括有關以下事件之可觀察數據：
 - (a) 發行人或借款人出現重大財務困難；
 - (b) 違約，例如拖欠或逾期事件；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.8 Financial Instruments (Continued)

4.8.1 Financial assets (Continued)

Impairment of financial assets (Continued)

- (iii) Credit-impaired financial assets (Continued)
 - (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
 - (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
 - (e) the disappearance of an active market for that financial asset because of financial difficulties.
- (iv) Write-off policy
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

4. 主要會計政策概要(續)

4.8 財務工具(續)

4.8.1 財務資產(續)

財務資產之減值(續)

- (iii) 信貸減值之財務資產(續)
 - (c) 借款人之放款人基於與借款人財務困難有關之經濟或合約理由，向借款人授出放款人在其他情況下不會考慮之特許；
 - (d) 借款人可能破產或進行其他財務重組；或
 - (e) 該財務資產之活躍市場因財務困難而消失。
- (iv) 撇銷政策
倘有資料顯示對手方陷入嚴重財務困難且無實際可收回之期望(如對手方已進行清盤或進入破產程序)，或貿易應收款項已逾期超過兩年(以較早發生者為準)，本集團則撇銷財務資產。經考慮法律意見(如適用)後，已撇銷之財務資產仍可能受制於本集團收回程序下之執法活動。撇銷構成取消確認事件。其後的任何收回均在損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.8 Financial Instruments (Continued)

4.8.1 Financial assets (Continued)

Impairment of financial assets (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.

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. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

4. 主要會計政策概要(續)

4.8 財務工具(續)

4.8.1 財務資產(續)

財務資產之減值(續)

(v) 預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約虧損率(即違約時虧損大小)及違約時風險敞口之函數。違約概率及違約虧損率之評估乃基於歷史數據及前瞻性資料而作出。預期信貸虧損之估計反映無偏頗的概率加權金額，此乃以發生違約之相關風險作為權重而釐定。

一般而言，預期信貸虧損為根據合約應付本集團之所有合約現金流量與本集團預期收取之現金流量之間的差額(按初步確認時釐定之實際利率貼現)。就應收租賃而言，用於釐定預期信貸虧損之現金流量與根據香港財務報告準則第16號計量應收租賃所用之現金流量貫徹一致。

就財務擔保合約而言，根據擔保工具條款，本集團僅須於債務人違約時作出付款，故預期信貸虧損為補償持有人所產生信貸虧損之預計付款減去本集團預計自持有人、債務人或任何其他方收取之任何金額之現值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.8 Financial Instruments (Continued)

4.8.1 Financial assets (Continued)

Impairment of financial assets (Continued)

- (v) Measurement and recognition of ECL (Continued)

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

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.

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with HKFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

4. 主要會計政策概要(續)

4.8 財務工具(續)

4.8.1 財務資產(續)

財務資產之減值(續)

- (v) 預期信貸虧損之計量及確認(續)

就無法釐定實際利率之財務擔保合約之預期信貸虧損而言，本集團會運用反映市場當前對貨幣時間價值及現金流量之特有風險所作評估之折現率，但僅適用於並以透過調整折現率(而非調整遭折現之現金短欠)計及風險為限。

利息收入按財務資產的賬面總值計算，除非財務資產已發生信貸減值，在此情況下利息收入則按財務資產的攤銷成本計算。

就財務擔保合約而言，會按根據香港財務報告準則第9號釐定之虧損撥備金額，與初步確認金額減(如適用)擔保期內確認之累計收入金額兩者中之較高者確認虧損撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.8 Financial Instruments (Continued)

4.8.1 Financial assets (Continued)

Impairment of financial assets (Continued)

- (v) Measurement and recognition of ECL (Continued)

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, loan receivables and financial guarantee contracts where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

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

4. 主要會計政策概要(續)

4.8 財務工具(續)

4.8.1 財務資產(續)

財務資產之減值(續)

- (v) 預期信貸虧損之計量及確認(續)

本集團於損益確認所有財務工具之減值收益或虧損，方法是調整其賬面值，惟貿易應收款項、應收貸款及財務擔保合約之相應調整則透過虧損撥備賬確認。

取消確認財務資產

只有在與財務資產有關之現金流量之合約權利屆滿，或本集團向另一實體轉讓財務資產及該資產所有權之絕大部分風險及回報時，本集團方會取消確認財務資產。倘本集團既無轉讓亦無保留所有權之絕大部分風險及回報，並且繼續控制獲轉讓資產，本集團則確認其於資產之保留權益，並就其或須支付之款項確認相關負債。倘本集團保留獲轉讓財務資產之所有權之絕大部分風險及回報，本集團則繼續確認財務資產，另會就已收所得款項確認有抵押借貸。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.8 Financial Instruments (Continued)

4.8.1 Financial assets (Continued)

Derecognition of financial assets (Continued)

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

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

4.8.2 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 an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

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

4. 主要會計政策概要(續)

4.8 財務工具(續)

4.8.1 財務資產(續)

取消確認財務資產(續)

取消確認按攤銷成本計量之財務資產時，資產賬面值與已收及應收代價總和之間的差額乃於損益確認。

如取消確認本集團首次確認時選擇按公平值計入其他全面收入之權益工具投資，先前於投資重估儲備累計之累計收益或虧損不會重新分類至損益，而會轉撥至保留溢利。

4.8.2 財務負債及權益

分類為債務或權益

債務及權益工具乃根據合約安排內容以及財務負債和權益工具之定義，分類為財務負債或權益。

權益工具

權益工具為證明實體於扣除其所有負債後之剩餘資產權益之任何合約。由本公司發行之權益工具乃按已收所得款項扣除直接發行成本確認。

按攤銷成本列賬之財務負債

財務負債包括貿易及其他應付款項以及借貸，其後使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 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.8 Financial Instruments (Continued)

4.8.2 Financial liabilities and equity (Continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with HKFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition of financial liabilities

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

4. 主要會計政策概要(續)

4.8 財務工具(續)

4.8.2 財務負債及權益(續)

財務擔保合約

財務擔保合約是要求發行人作出特定付款以補償持有人因特定債務人無法根據債務工具條款支付到期款項所產生之虧損之合約。財務擔保合約負債初步按其公平值計量，其後按以下兩者中之較高者計量：

- 根據香港財務報告準則第9號釐定之虧損撥備金額；及
- 初步確認金額減(如適用)擔保期內確認之累計攤銷。

取消確認財務負債

本集團會在並僅會在本集團之責任獲解除、取消或到期時取消確認財務負債。取消確認之財務負債之賬面值與已付及應付代價之間的差額，會在損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.9 Inventories

Inventories are initially recognised at cost, and subsequently carried at the lower of cost and net realisable value.

Properties for sale are classified as current assets. Except for the leasehold land element which is measured at cost model in accordance with the accounting policies of right-of-use assets, properties for sale are carried at the lower of cost and net realisable value. Cost is determined on a specific identification basis including allocation of the related development expenditure incurred and where appropriate, borrowing costs capitalised. Net realisable value represents the estimated selling price for the properties less estimated cost to completion and costs necessary to make the sales. 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.

4.10 Cash and cash equivalents

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

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

4. 主要會計政策概要(續)

4.9 存貨

存貨初次按成本確認，其後以成本及可變現淨值兩者之較低者列賬。

待售物業被分類為流動資產。除租賃土地部分按照使用權資產之會計政策按成本模式計量外，待售物業以成本及可變現淨值兩者之較低者入賬。成本按特定識別基準釐定，包括分配所產生之有關開發支出及(倘適用)資本化借貸成本。可變現淨值指物業估計售價減估計完工成本及作出銷售之必要成本。作出銷售之必要成本包括銷售直接應佔之增量成本及本集團為進行銷售必須產生之非增量成本。

4.10 現金及現金等價物

綜合財務狀況表上呈列之現金及現金等價物包括：

- (a) 現金，包括手頭現金及活期存款，不包括須受監管限制以致不再符合現金定義之銀行結餘；及
- (b) 現金等價物，包括短期(原到期日一般為三個月或以下)、高流動性之投資，可隨時轉換為已知金額之現金，且價值變動風險不大。現金等價物乃為滿足短期現金承擔而非投資或其他目的而持有。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.10 Cash and cash equivalents (Continued)

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

4.11 Revenue Recognition

Revenue from contracts with customers

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

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

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

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

4. 主要會計政策概要(續)

4.10 現金及現金等價物(續)

就綜合現金流量表而言，現金及現金等價物包括上述界定的現金及現金等價物，扣除須按要求償還並構成本集團現金管理組成部分的未償還銀行透支。該等透支於綜合財務狀況表呈列為短期借貸。

4.11 收益確認

來自客戶合約之收益

本集團當(或於)履行履約責任時確認收益，亦即在特定履約責任相關之貨品或服務之「控制權」轉移至客戶之時。

履約責任指可明確區分之貨品或服務(或一攬子貨品或服務)或一系列可明確區分而大致相同之貨品或服務。

倘滿足以下其中一項準則，控制權則隨時間推移而轉移，並參照完全履行相關履約責任之進度隨時間推移確認收益：

- 於本集團履約時，客戶同時收取及消耗本集團履約所提供之利益；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.11 Revenue Recognition (Continued)

Revenue from contracts with customers (Continued)

- 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.

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.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations (i.e. providing financial guarantee to banks with respect to mortgage loans procured by the purchasers of the Group's properties in the contracts on sales of properties), the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

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

4. 主要會計政策概要(續)

4.11 收益確認(續)

來自客戶合約之收益(續)

- 本集團之履約建立或提升客戶於本集團履約時所控制之資產；或
- 本集團之履約並無建立對本集團有其他用途之資產，而本集團對迄今已完成之履約付款有強制執行權利。

否則，收益於客戶取得可明確區分之貨品或服務之控制權之時間點確認。

合約負債指本集團就已向客戶收取之代價(或代價金額到期)向客戶轉讓貨品或服務之責任。

設有多項履約責任之合約 (包括分配交易價格)

就包含多於一項履約責任的合約而言(即在物業銷售合約中就本集團物業買家獲得之按揭貸款而向銀行提供財務擔保)，本集團按照相對獨立售價基準將交易價格分配至各項履約責任。

各履約責任相關之可明確區分貨品或服務之獨立售價，於合約開始時釐定。該價格指本集團會單獨向客戶出售所承諾貨品或服務之價格。倘無法直接觀察獨立售價，本集團會使用適當技術估計，致使最終分配至任何履約責任之交易價格可反映本集團向客戶轉讓所承諾貨品或服務預期有權獲得之代價金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.11 Revenue Recognition (Continued)

Revenue from contracts with customers (Continued)

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group recognises such costs (i.e. sales commissions in relation to the sales of properties) as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. The asset is subject to impairment review.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

4. 主要會計政策概要(續)

4.11 收益確認(續)

來自客戶合約之收益(續)

存在重大融資成分

於釐定交易價格時，倘(不論以明示或暗示方式)協定之付款時間為客戶或本集團帶來向該客戶轉讓貨品或服務之重大融資利益，則本集團就貨幣時間價值之影響而調整已承諾之代價金額。於該等情況下，合約即含有重大融資成分。不論融資承諾是在合約中明確列明，抑或隱含在合約訂約方協定之付款條款中，均可能存在重大融資成分。

就相關貨品或服務之付款與轉讓期間少於一年之合約而言，本集團應用可行之權宜之計，並不就任何重大融資成分調整交易價格。

取得合約之增量成本

取得合約之增量成本指本集團為取得與客戶之合約所產生之該等成本，而有關成本如未取得合約則不會產生。

倘本集團預期可收回該等成本(即有關銷售物業之銷售佣金)，則本集團將有關成本確認為資產。如此確認之資產其後按與向客戶轉讓該等資產相關之貨品或服務一致之基準，有系統地於損益內攤銷。有關資產須接受減值檢討。

倘該等成本原應於一年內在損益悉數攤銷，本集團會應用可行之權宜之計，將取得合約之所有增量成本支銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.12 Foreign Currency

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

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

4. 主要會計政策概要(續)

4.12 外幣

編製各個別集團實體之財務報表時，以該實體功能貨幣以外貨幣(外幣)進行之交易按交易日之當前匯率確認。於報告期末，以外幣計值之貨幣項目乃以該日之當前外幣匯率重新換算。

以公平值列賬且以外幣計值之非貨幣項目，乃按公平值被釐定日期之適用匯率重新換算。倘非貨幣項目之公平值收益或虧損於損益內確認，該收益或虧損之任何匯兌組成部分亦會在損益中確認。倘非貨幣項目的公平值收益或虧損於其他全面收入內確認，該收益或虧損之任何匯兌組成部分亦會在其他全面收入中確認。以外幣計值且以歷史成本計量之非貨幣項目概不重新換算。

因結算貨幣項目及重新換算貨幣項目而產生之匯兌差額，乃於產生期間在損益中確認。

就呈列綜合財務報表而言，本集團業務之資產及負債按各報告期末通行之匯率換算為本集團之呈列貨幣(即港幣)，收支項目按期內平均匯率換算，惟若匯率於期內大幅波動，則使用交易當日匯率。所產生之匯兌差額(如有)於其他全面收入確認，並於匯兌儲備項內權益累計(歸屬於非控股權益(如適用))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.13 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

4.14 Government grants

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

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

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

4. 主要會計政策概要(續)

4.13 借貸成本

收購、建設或生產合資格資產(即需一段長時間方達致其擬定用途或出售之資產)直接應佔之借貸成本加入該等資產成本內，直至資產可大致用作擬定用途或出售為止。

任何有關資產可作其擬定用途或出售後仍未償還的特定借貸計入一般借貸額，以計算一般借貸的資本化率。尚未用於合資格資產之特定借貸作暫時投資所賺取之投資收入，於合資格資本化之借貸成本中扣除。

所有其他借貸成本於產生期間內在損益確認。

4.14 政府補助

政府補助不予確認入賬，直至有合理保證證明本集團將遵守其附帶條件及將收取補助。

政府補助乃於本集團將擬以補助所補償相關成本確認為開支的期間內以系統基準於損益中確認。

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之期間於損益中確認。此補助呈列於「其他收入」項下。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.15 Taxation

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of income tax expense in profit or loss.

Deferred tax is recognised on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the consolidated financial statements and their corresponding tax bases used in computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

4. 主要會計政策概要(續)

4.15 稅項

所得稅包括即期稅項及遞延稅項。

即期所得稅資產及／或負債包括有關當前或上一報告期間應付予或應索回之稅務當局稅款(且於報告日期仍未支付者)。有關數額按適用於財務期間之稅率及稅法，基於該年度應課稅溢利計算。所有即期稅項資產或負債之變動在損益中確認，列為所得稅開支之部分。

遞延稅項乃按於報告日期綜合財務報表內資產與負債賬面值與其計算應課稅溢利時使用之相應稅基間之暫時性差額確認。遞延稅項負債一般會就所有應課稅暫時性差額確認。遞延稅項資產乃就所有可扣稅暫時性差額、可結轉稅項虧損以及其他未運用稅項抵免確認，惟以可能有應課稅溢利用作抵銷該等可扣稅暫時性差額、未動用稅項虧損及未動用稅項抵免之情況為限。

倘於一項交易中自商譽或資產及負債之首次確認(業務合併除外)所產生之暫時性差額並不影響應課稅或會計損益，則不會就此確認遞延稅項資產及負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.15 Taxation (Continued)

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

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

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

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

4. 主要會計政策概要(續)

4.15 稅項(續)

投資附屬公司及合營業務權益所產生之應課稅暫時性差額須確認遞延稅項負債，惟倘本集團可以控制暫時性差額之撥回及暫時性差額很可能不會在可見將來撥回者除外。由有關該等投資及權益之可扣稅暫時性差額產生之遞延稅項資產，僅在可能有足夠應課稅溢利用作抵銷暫時性差額之利益時確認，並預期在可見將來撥回。

遞延稅項資產之賬面值會於報告期末審閱，並在不再可能有足夠應課稅溢利可用以收回全部或部分資產時調減。

遞延稅項資產及負債根據於報告期末已制定或大致上制定之稅率(及稅法)，按預期於結算負債或變現資產期間所適用之稅率計算。

遞延稅項負債及資產之計量，反映於報告期末按照本集團預期收回或結算其資產及負債賬面值之方式所產生之稅務結果。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.15 Taxation (Continued)

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. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 "Income Taxes" requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

4. 主要會計政策概要(續)

4.15 稅項(續)

為計量使用公平值模式計量之投資物業之遞延稅項，會假定該等物業之賬面值可透過出售全數收回，惟該假定被推翻則另作別論。當投資物業可計提折舊，並按目的為隨時間(而非透過出售)消耗投資物業所體現之絕大部分經濟利益之業務模式持有，有關假定則被推翻。倘該假定被推翻，有關投資物業之遞延稅項負債及遞延稅項資產會根據香港會計準則第12號所載之上述一般原則(即根據預期收回物業之方式)計量。

為計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延稅項，本集團首先釐定稅項減免歸屬於使用權資產抑或租賃負債。

就稅項減免歸屬於租賃負債的租賃交易而言，本集團就整體租賃交易應用香港會計準則第12號「所得稅」的規定。使用權資產與租賃負債之暫時性差額以淨額估算。由於使用權資產折舊超過租賃負債主要部分之租賃付款，而導致可扣減暫時性淨差額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.15 Taxation (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4. 主要會計政策概要(續)

4.15 稅項(續)

當有即期稅項資產抵銷即期稅項負債之法定強制性權利，以及遞延稅項資產及遞延稅項負債是與同一稅務部門向同一課稅實體徵收之所得稅相關，則會抵銷遞延稅項資產及負債。

即期及遞延稅項乃於損益確認，惟倘即期及遞延稅項與在其他全面收入或直接於權益確認之項目相關，即期及遞延稅項亦會分別在其他全面收入或直接於權益內確認。

倘(及僅倘)出現以下情況，則即期稅項資產及即期稅項負債乃按淨額呈列：

- (a) 本集團有法定強制性權利抵銷已確認金額；及
- (b) 擬按淨額基準結算，或同時變現資產及結算負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

4. Summary of Significant Accounting Policies (Continued)

4.16 Employee Benefits

(i) **Defined contribution retirement plans**

Retirement benefits to employees are provided through defined contribution plans.

Contributions are recognised as an expense in profit or loss when employees have rendered service entitling them to the contributions. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

(ii) **Short-term and other long-term employee benefits**

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

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

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

4. 主要會計政策概要(續)

4.16 僱員福利

(i) **定額供款退休計劃**

退休福利乃透過定額供款計劃向僱員提供。

當僱員已提供服務而享有供款時，供款則在損益中確認為開支。本集團根據此等計劃之責任限於應付之固定百分比供款。

(ii) **短期及其他長期僱員福利**

當僱員已提供服務，短期僱員福利按預期支付之福利之未折現金額確認。除非其他香港財務報告準則規定或允許將福利計入資產成本，否則所有短期僱員福利均確認為開支。

僱員可享有之年假在彼等放假時確認。本公司就僱員截至報告期末提供服務而享有年假之估計負債而計提撥備。

非累積性有薪假期例如病假及產假於放假時方予確認。

就其他長期僱員福利確認之負債，按本集團就僱員截至報告日期所提供服務預期作出之估計未來現金流出之現值計量。任何因服務成本、利息及重新計量而產生之負債賬面值變動乃於損益確認，惟倘其他香港財務報告準則規定或允許計入資產成本則除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

5. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates 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 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.

(i) *Deferred tax arising from fair value changes in investment properties*

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the Group's deferred taxation on investment properties, the Directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted.

5. 關鍵會計判斷及估計不確定因素之主要來源

在應用附註4所述本集團之會計政策期間，董事須對不可隨時從其他來源取得之資產及負債賬面值作出判斷、估計及假設。該等估計乃基於過往經驗及其他視為相關之因素作出。實際結果可能與該等估計不同。

估計及有關假設會持續予以檢討。倘會計估計之修訂僅影響作出修訂之期間，則於修訂估計期間確認有關修訂；倘修訂同時影響當前及未來期間，則於修訂期間及未來期間確認有關修訂。

應用會計政策時作出之關鍵判斷

以下是董事在應用本集團之會計政策過程中所作出之關鍵判斷(涉及估計者除外(見下文))，此等判斷對綜合財務報表中確認之金額產生的影響最為重大。

(i) *投資物業公平值變動產生的遞延稅項*

為計量使用公平值模式計量之投資物業所產生之遞延稅項，董事已審閱本集團之投資物業組合，並斷定本集團之投資物業並非按目的為隨時間消耗投資物業所體現之絕大部分經濟利益之業務模式持有。因此，在釐定本集團之投資物業遞延稅項時，董事確定全數透過出售收回使用公平值模式計量之投資物業之賬面值這個假定不被推翻。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

5. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

Key Sources of Estimation Uncertainty

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

(i) *Estimated fair value of investment properties and revalued amount of buildings*

The Group's investment properties are stated at fair value and buildings are stated at revalued amount based on the valuation performed by an independent qualified professional valuer. In determining the fair value/revalued amount, the valuer has based its valuation on income capitalisation approach or direct comparison or the residual method, as appropriate for respective investment properties, and valuation on net replacement cost method for buildings, which involves certain estimates, including comparable market transactions, appropriate capitalisation rates and reversionary rental value, estimated gross development value, estimated cost of development and allowance of profit that duly reflected developer's risk associated with the development, as appropriate. The determination of the fair value involves certain assumptions of market conditions which are set out in notes 17 and 18. In relying on the valuation report, management has exercised their judgement and is satisfied that the methods of valuation adopted are appropriate for the relevant property and reflective of current market conditions. Changes to these assumptions, including the potential risk of any market violation, policy, 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 properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income. As at 31 December 2022, the fair value of Group's investment properties and revalued amount of buildings were approximately HK\$19,374,605,000 and HK\$33,978,000 (2021: HK\$19,808,515,000 and HK\$34,978,000), respectively.

5. 關鍵會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源

以下是於報告期末有關未來之主要假設及估計不確定因素之其他主要來源，而具有重大風險導致下一財政年度內之資產及負債賬面值須作出重大調整。

(i) *投資物業之估計公平值及樓宇之重估金額*

本集團之投資物業以公平值列賬，樓宇按獨立合資格專業估值師進行之估值以重估金額列賬。於釐定公平值／重估金額時，估值師已按各投資物業適用的情況應用收入資本化法或直接比較法或剩餘法為估值基準，而樓宇則按淨重置成本法估值，當中涉及包括可比較市場交易、適當資本化比率及復歸租值、估計發展總值、估計發展成本及妥為反映發展商與發展項目相關之風險之溢利撥備(視適用情況而定)之若干估計。公平值的釐定涉及附註17及18所載的市場狀況的若干假設。於依賴估值報告時，管理層已運用其判斷，並信納所採用的估值方法適合有關物業並反映現時市況。該等假設的變化，包括任何市場違規的潛在風險、宏觀經濟環境變化或其他突發事件導致的政策及社會變化或其他突發事件，都將導致本集團投資物業的公平值發生變化，並對綜合損益及其他全面收入表中報告的盈虧金額進行相應調整。於二零二二年十二月三十一日，本集團之投資物業之公平值及樓宇之重估金額分別為約港幣19,374,605,000元及港幣33,978,000元(二零二一年：港幣19,808,515,000元及港幣34,978,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

5. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

Key Sources of Estimation Uncertainty (Continued)

(ii) *Net realisable values of properties for sale*

Management determines the net realisable values of properties for sale based on the Group's assessment of the selling price ultimately expected to be realised less all estimated cost to completion and cost necessary to make the sale. The estimated selling price of such properties are determined by the management with reference to prevailing market data such as most recent sale transactions of similar properties or market valuation reports available from independent qualified professional valuers. Such valuations are made based on certain assumptions, which are subject to uncertainties and might materially differ from the actual result. In making the judgement, reasonable consideration has been given to the underlying assumptions that are mainly based on market conditions existing at the reporting date. These estimates are regularly compared to actual market data and actual transactions in the market. As at 31 December 2022, the carrying amount of properties for sale was approximately HK\$1,063,112,000 (2021: approximately HK\$888,704,000).

5. 關鍵會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源(續)

(ii) *待售物業之可變現淨值*

管理層根據本集團對最終預期變現售價作出之評估，減去所有估計完工成本及進行銷售所需之成本，釐定待售物業之可變現淨值。管理層釐定該等物業之估計售價時，會參考類似物業之最新銷售交易或獨立合資格專業估值師提供之市場估值報告等現行市場數據。有關估值乃按若干受不確定因素所限之假設而進行，並可能與實際結果有重大差異。於作出判斷時，管理層已合理考慮主要基於報告日期出現之市況而作出之相關假設。此等估計會定期與實際市場數據及市場上之實際交易作比較。於二零二二年十二月三十一日，待售物業之賬面值為約港幣1,063,112,000元(二零二一年：約港幣888,704,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

6. Revenue

An analysis of the Group's revenue from its principal activities and other income is as follows:

i) Disaggregation of Revenue and Reconciliation to Segment Revenue

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Revenue from contracts with customers under HKFRS 15	根據香港財務報告準則第15號來自客戶合約之收益		
Property development*	物業發展*		
— Sales of completed properties for sale	— 已落成待售物業銷售	78,611	127,048
Building management and other services*	樓宇管理及其他服務*		
— Property repairs and maintenance service income	— 物業維修及保養服務收入	8,711	8,381
— Building management service income	— 樓宇管理服務收入	14,920	14,547
Revenue from contracts with customers under HKFRS 15	根據香港財務報告準則第15號來自客戶合約之收益	102,242	149,976
Property leasing*	物業租賃*		
— Rental and signage rental income	— 租金及廣告位租賃收入	376,134	418,915
Total revenue	總收益	478,376	568,891

* The segment names are defined in the section "Segment information" in note 8.

6. 收益

本集團之主要業務之收益及其他收入分析如下：

i) 收益區隔及分類收益對賬

* 分類名稱定義見附註8「分類資料」一節。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

6. Revenue (Continued)

i) Disaggregation of Revenue and Reconciliation to Segment Revenue (Continued)

6. 收益(續)

i) 收益區隔及分類收益對賬(續)

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度		Property development segment 物業發展分類 HK\$'000 港幣千元	Building management and other services segment 樓宇管理及 其他服務分類 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Geographical markets	地區市場			
The Mainland China*	中國內地*	78,611	—	78,611
Hong Kong	香港	—	23,631	23,631
		78,611	23,631	102,242
Timing of recognition	確認時間			
A point in time	某時間點	78,611	—	78,611
Over time	隨時間推移	—	23,631	23,631
		78,611	23,631	102,242

* For reporting purpose, the Mainland China excludes Hong Kong, Taiwan and Macau

* 就呈報而言，中國內地不包括香港、台灣及澳門

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

6. Revenue (Continued)

i) Disaggregation of Revenue and Reconciliation to Segment Revenue (Continued)

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度	Property development segment 物業發展分類 HK\$'000 港幣千元	Building management and other services segment 樓宇管理及 其他服務分類 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Geographical markets	地區市場		
The Mainland China*	127,048	—	127,048
Hong Kong	—	22,928	22,928
	127,048	22,928	149,976
Timing of recognition	確認時間		
A point in time	127,048	—	127,048
Over time	—	22,928	22,928
	127,048	22,928	149,976

* For reporting purpose, the Mainland China excludes Hong Kong, Taiwan and Macau

6. 收益(續)

i) 收益區隔及分類收益對賬(續)

* 就呈報而言，中國內地不包括香港、台灣及澳門

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

6. Revenue (Continued)

ii) Performance Obligation for Contract with Customers

Sales of properties

Revenue from sales of properties is recognised when the respective properties have been completed and delivered to the customers which is a point in time when customers have the ability to direct the use of the properties and obtain substantially all benefits of the properties. Deposits received from customers prior to meeting the aforementioned revenue recognition criteria are regarded as the contract liabilities and included in current liabilities as pre-sale proceeds received on sales of properties in the consolidated statement of financial position.

The Group considers that the pre-sale proceeds received on sales of properties do not contain significant financing component as the contracts where the period between payment and transfer of the associated properties is less than one year, the Group applied the practical expedient of not adjusting the transaction price for any significant financing component.

For the contracts that contain the performance obligation of providing financial guarantee to banks with respect to mortgage loans procured by the purchasers of the Group's properties in the contracts on sales of properties, the Group should allocate the transaction price to the performance obligations between the sales of properties and provision of financial guarantee on a relative stand-alone selling price basis. The Group considers that the impact in the allocation of provision of financial guarantee on a relative stand-alone selling price basis is insignificant during the years ended 31 December 2022 and 2021 and thus all the revenue recognised from the contracts with customers on sales of properties is then allocated to the revenue from sales of completed properties for sale.

6. 收益(續)

ii) 客戶合約之履約責任

物業銷售

物業銷售收益乃於相關物業落成並交付予客戶時確認，亦即客戶有能力指揮物業用途並取得物業絕大部分利益之時。在達到上述收益確認條件前向客戶收取之訂金視作合約負債，並在綜合財務狀況表計入流動負債，作為銷售物業收取之預售所得款項。

本集團認為，由於合約中之付款與轉讓相關物業期間不足一年，因此銷售物業收取之預售所得款項不含重大融資成分，而本集團已應用可行之權宜之計，不就任何重大融資成分調整交易價格。

就包含履約責任之合約(即在物業銷售合約中就本集團物業買家獲得之按揭貸款而向銀行提供財務擔保)而言，本集團應按照相對獨立售價，在物業銷售與財務擔保撥備之間分配交易價格。本集團認為，截至二零二二年及二零二一年十二月三十一日止年度按相對獨立售價分配財務擔保撥備之影響並不重大，因此，因銷售物業而確認之所有客戶合約收益，其後會分配至已落成待售物業之銷售收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

6. Revenue (Continued)

ii) Performance Obligation for Contract with Customers (Continued)

Property repairs and maintenance service income/ Building management service income

Revenue from provision of property repairs and maintenance service and provision of building management service are recognised over time as the customers simultaneously receive and consume the benefits provided by the Group when the Group renders the service.

iii) Transaction Price Allocated to the Remaining Performance Obligation for Contracts with Customers

Contracts for building management services are typically have one to five years non-cancellable term under which the Group bills a fixed amount for a month. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has right to invoice. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

All other contracts with customers are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6. 收益(續)

ii) 客戶合約之履約責任(續)

物業維修及保養服務收入/ 樓宇管理服務收入

提供物業維修及保養服務以及提供樓宇管理服務之收入乃隨時間確認，原因是客戶在本集團提供服務時同時收取及耗用本集團提供之利益。

iii) 分配至客戶合約之其餘履約責任之交易價格

樓宇管理服務合約一般包括一至五年不可撤銷之條款，據此，本集團會在每個月收取固定金額。本集團已選擇應用可行之權宜之計，按本集團有權開具發票之金額確認收益。誠如香港財務報告準則第15號所允許，並無披露分配至該等未履行合約之交易價格。

所有其他客戶合約為期一年或以下。誠如香港財務報告準則第15號所允許，並無披露分配至該等未履行合約之交易價格。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

7. Other Income, Gains and Losses

7. 其他收入、收益及虧損

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
7a. Other income	7a. 其他收入		
Interest income from financial assets at FVTPL	按公平值計入損益之財務資產之利息收入	2,456	6,586
Interest income from loan receivables	應收貸款利息收入	533	1,058
Other interest income	其他利息收入	25,162	7,401
Government grants (note 1)	政府補助(附註1)	7,714	3,091
Forfeiture of deposits (note 2)	沒收訂金(附註2)	5,093	—
Miscellaneous income	雜項收入	11,794	6,981
		52,752	25,117
7b. Other gains and losses	7b. 其他收益及虧損		
Reversal of impairment loss on trade receivables, net	貿易應收款項減值虧損撥回淨額	24	182
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	—	(65)
		24	117
Total income, gains and losses	收入、收益及虧損總額	52,776	25,234

Notes:

- During the year ended 31 December 2022, the Group recognised government grants of approximately HK\$7,714,000 (2021: HK\$3,091,000) in respect of Employment Support Scheme provided by the Hong Kong government.
- The amounts represents forfeiture of deposits upon the termination of the sale and purchase agreement on sale of properties during the year ended 31 December 2022.

附註：

- 於截至二零二二年十二月三十一日止年度，本集團就香港政府提供的「保就業」計劃確認政府補助約港幣7,714,000元(二零二一年：港幣3,091,000元)。
- 該金額指截至二零二二年十二月三十一日止年度終止出售物業之買賣協議時所沒收之訂金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

8. Segment Information

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors of the Company for their decisions about resource allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors of the Company are determined following the Group's major business lines.

The Group has identified the following operating and reportable segments:

Property development	:	Development of residential, commercial and industrial properties
Property leasing	:	Property rental including signage rental and rental under mini-storage operation
Building management and other services	:	Provision of building management, property repairs and maintenance services

Each of these operating and reportable segments is managed separately as each of the business lines requires different resources as well as operating approaches.

Also, the Group engaged in properties assembly and sales of properties business. There is no project under property assembly business in both years. Thus, this is not constitute a reportable segment during both years.

8. 分類資料

本集團根據向本公司執行董事定期呈報之內部財務資料識別其營運分類及編製分類資料，執行董事根據該等資料決定本集團各業務組成部分之資源分配並檢討該等組成部分之表現。向本公司執行董事呈報之內部財務資料之業務組成部分乃根據本集團主要業務線釐定。

本集團已識別下列營運及可呈報分類：

物業發展	:	發展住宅、商業及工業物業
物業租賃	:	物業租賃包括廣告位租賃及迷你倉業務下之租賃
樓宇管理及其他服務	:	提供樓宇管理、物業維修及保養服務

由於各業務線需要不同資源及經營方針，故各營運及可呈報分類分開管理。

此外，本集團從事物業合併及物業銷售業務。於兩個年度內並無任何物業合併業務項目，因此於兩個年度內並不構成可呈報分類。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

8. Segment Information (Continued)

These operating and reportable segments are monitored and strategic decisions are made on the basis of segment operating results.

Segment Revenue and Results

		Property development 物業發展		Property leasing 物業租賃		Building management and other services 樓宇管理及其他服務		Segment total 分類總計	
		2022 二零二二年	2021 二零二一年 (Restated) (經重列)	2022 二零二二年	2021 二零二一年 (Restated) (經重列)	2022 二零二二年	2021 二零二一年 (Restated) (經重列)	2022 二零二二年	2021 二零二一年 (Restated) (經重列)
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Revenue	收益								
External customers	外來客戶	78,611	127,048	376,134	418,915	23,631	22,928	478,376	568,891
Inter-segments (note)	各分類間(附註)	—	—	48	—	3,149	2,787	3,197	2,787
Segment revenue	分類收益	78,611	127,048	376,182	418,915	26,780	25,715	481,573	571,678
Segment profits	分類溢利	12,618	18,520	303,430	353,690	21,626	19,717	337,674	391,927
Certain other income, gains and losses	若干其他收入、收益及虧損							24,015	7,591
Certain administrative expenses	若干行政費用							(35,466)	(45,802)
(Loss)/gain on disposal of subsidiaries	出售附屬公司之(虧損)/收益							(788)	1,864
Net fair value loss on investment properties	投資物業公平值虧損淨額							(464,274)	(1,077,458)
Reversal of impairment loss on loan receivables	應收貸款減值虧損撥回							247	400
Finance costs	融資成本							(43,079)	(24,614)
Loss before income tax expense	除所得稅開支前虧損							(181,671)	(746,092)

Note: Inter-segment sales are charged at mutual agreed terms.

The operating and reportable segment results exclude finance costs, net fair value loss on investment properties, reversal of impairment loss on loan receivables, (loss)/gain on disposal of subsidiaries, certain other income, gains and losses, certain administrative expenses and income tax expense.

8. 分類資料(續)

此等營運及可呈報分類之監控及決策之作出乃基於分類經營業績。

分類收益及業績

附註：各分類間銷售按相互協定之條款扣除。

營運及可呈報分類業績不包括融資成本、投資物業公平值虧損淨額、應收貸款減值虧損撥回、出售附屬公司之(虧損)/收益、若干其他收入、收益及虧損、若干行政費用及所得稅開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

8. Segment Information (Continued)

Segment Assets and Liabilities

8. 分類資料(續)

分類資產及負債

		Property development 物業發展		Property leasing 物業租賃		Building management and other services 樓宇管理及其他服務		Segment total 分類總計	
		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Segment assets	分類資產	1,319,550	1,274,779	19,853,742	20,072,949	27,621	23,571	21,200,913	21,371,299
Certain property, plant and equipment	若干物業、廠房及設備							6,862	5,264
Financial assets at FVTOCI	按公平值計入 其他全面收入 之財務資產							39,656	28,605
Short-term bank deposits	短期銀行存款							272,400	251,181
Certain cash and cash equivalents	若干現金及現金等價物							703,125	544,955
Assets classified as held for sale	分類為待售之資產							—	75,300
Total assets	資產總值							22,222,956	22,276,604
Segment liabilities	分類負債	399,140	317,360	223,532	241,404	9,297	7,531	631,969	566,295
Certain other payables	若干其他應付款項							73,658	56,207
Borrowings	借貸							1,774,527	1,871,501
Deposit received for disposal of subsidiaries	出售附屬公司之 已收按金							320,882	—
Provision for income tax	所得稅撥備							121,631	125,595
Deferred tax liabilities	遞延稅項負債							124,655	115,306
Total liabilities	負債總額							3,047,322	2,734,904

Segment assets include all assets other than certain property, plant and equipment, financial assets at FVTOCI, short-term bank deposits, certain cash and cash equivalents and assets classified as held for sale.

Segment liabilities comprise all liabilities other than certain other payables, provision for income tax, deferred tax liabilities and borrowings.

分類資產包括所有資產，但不包括若干物業、廠房及設備、按公平值計入其他全面收入之財務資產、短期銀行存款、若干現金及現金等價物以及分類為待售之資產。

分類負債包括所有負債，但不包括若干其他應付款項、所得稅撥備、遞延稅項負債及借貸。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

8. Segment Information (Continued)

Other Segment Information

8. 分類資料(續)

其他分類資料

	Property development 物業發展		Property leasing 物業租賃		Building management and other services 樓宇管理及其他服務		Segment total 分類總計		Unallocated 未分類		Total 總計	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Amounts included in the measure of segment profit:	計入分類溢利計量之款額：											
Interest income from financial assets at FVTPL	2,456	6,586	—	—	—	—	2,456	6,586	—	—	2,456	6,586
Interest income from loan receivables	533	1,058	—	—	—	—	533	1,058	—	—	533	1,058
Other interest income	2,929	426	4	10	4	—	2,937	436	22,225	6,965	25,162	7,401
Depreciation of right-of-use assets	(478)	(367)	(6,728)	(8,289)	—	(106)	(7,206)	(8,762)	—	—	(7,206)	(8,762)
Depreciation of other property, plant and equipment	(38)	(71)	(5,771)	(10,497)	(33)	—	(5,842)	(10,568)	—	(6)	(5,842)	(10,574)
Reversal of impairment loss on trade receivables, net	—	—	24	182	—	—	24	182	—	—	24	182
Reversal of impairment loss on loan receivables	—	—	—	—	—	—	—	—	247	400	247	400
Amounts included in the measure of segment assets:	計入分類資產計量之款額：											
Additions to non-current segment assets during the year	31,107	890	55,623	442,865	—	—	86,730	443,755	—	—	86,730	443,755

Geographical Information

The Group's revenue from external customers and its non-current assets (other than financial instruments) are divided into the following geographical areas:

地區資料

本集團之外來客戶收益及其非流動資產(財務工具除外)分佈以下地區：

	Principal markets 主要市場	Revenue from external customers 外來客戶收益		Non-current assets 非流動資產	
		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
— Hong Kong (domicile)	— 香港(註冊地)	399,765	441,843	19,493,308	19,946,155
— the Mainland China	— 中國內地	78,611	127,048	13,076	14,067
		478,376	568,891	19,506,384	19,960,222

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

8. Segment Information (Continued)

The geographical location of customers is based on the location at which the goods/services were delivered/rendered. The geographical location of non-current assets is based on the physical location of the assets.

Information about Major Customer

Revenue from customer of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

8. 分類資料(續)

客戶之所屬地區乃基於交付／提供貨品／服務之地點釐定。非流動資產之地區分類乃基於資產之實際所在地。

有關主要客戶之資料

以下為相關年度來自向本集團貢獻超過10%總收益之客戶之收益：

		Year ended 截至以下日期止年度	
		31/12/2022 二零二二年 十二月三十一日 HK\$'000 港幣千元	31/12/2021 二零二一年 十二月三十一日 HK\$'000 港幣千元
Property leasing (Note)	物業租賃(附註)		
— Customer A	— 客戶A	N/A 不適用	60,300
— Customer B	— 客戶B	51,831	N/A 不適用

Note: Revenue from Customer A and Customer B did not exceed 10% of total revenue during the year ended 31 December 2022 and 31 December 2021 respectively.

附註：於截至二零二二年十二月三十一日及二零二一年十二月三十一日止年度，來自客戶A及客戶B之收益分別並無超過總收益之10%。

9. Finance Costs

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Interest expenses on:	以下各項之利息支出：		
Borrowings	借貸	40,921	23,756
Lease liabilities	租賃負債	2,158	858
		43,079	24,614

9. 融資成本

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

10. Loss before Income Tax ExpenseLoss before income tax expense is arrived at after charging/
(crediting):**10. 除所得稅開支前虧損**除所得稅開支前虧損已扣除/(計入)下列
各項：

		2022 二零二二年	2021 二零二一年 (Restated) (經重列)
		HK\$'000 港幣千元	HK\$'000 港幣千元
Auditor's remuneration	核數師酬金	3,086	3,084
Cost of completed properties for sale recognised as expenses (note)	確認為開支之已落成待售物業成本(附註)	46,791	69,204
Depreciation of right-of-use assets (note 18)	使用權資產折舊(附註18)	7,206	8,762
Depreciation of other property, plant and equipment (note 18)	其他物業、廠房及設備折舊(附註18)	5,842	10,574
Employee compensation expense (including Directors' remuneration and defined contribution cost) (note 12)	僱員報酬開支(包括董事酬金及定額供款成本)(附註12)	141,455	128,540
Rentals in respect of short-term leases and low-valued leases	短期租賃及低價值租賃之租金	733	794
Revaluation deficit on property, plant and equipment	物業、廠房及設備之重估虧損	120	520
Gross rental income from investment properties	投資物業租金收入總額	(376,134)	(418,915)
Less: Direct operating expense arising from investment properties that generated rental income	減：產生租金收入之投資物業所產生之直接經營支出	16,199	19,953
Less: Direct operating expense arising from investment properties that did not generate rental income	減：未產生租金收入之投資物業所產生之直接經營支出	—	93
		(359,935)	(398,869)

Note: During the year, no reversal of the accruals on construction works (2021: HK\$7,256,000) in respect of the completed properties for sale sold during the year upon the final payment agreed with the respective suppliers during the year ended 31 December 2022.

附註：截至二零二二年十二月三十一日止年度在最終支付與各供應商協定之款項後，本年內沒有出售已落成待售物業而撥回建築工程應計款項(二零二一年：港幣7,256,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

11. Directors' and Senior Management's Emoluments

(a) Directors' Emoluments

The emoluments paid or payable to the Directors were as follows:

		Fee	Salaries and allowances	Performance related bonuses	Retirement benefits scheme contributions	Total
		袍金 HK\$'000 港幣千元	薪金及津貼 HK\$'000 港幣千元	表現相關花紅 HK\$'000 港幣千元	退休福利計劃供款 HK\$'000 港幣千元	總計 HK\$'000 港幣千元
Year ended 31 December 2022	截至二零二二年十二月三十一日止年度					
Executive directors	執行董事					
Madam Foo Kam Chu Grace	傅金珠女士	120	3,918	4,453	18	8,509
Ms. Chan Wai Ling	陳慧苓小姐	120	4,320	4,174	18	8,632
Mr. Chan Hing Tat	陳慶達先生	120	3,401	4,120	18	7,659
Mr. Tse Wai Hang	謝偉衡先生	120	2,100	175	18	2,413
Independent non-executive directors	獨立非執行董事					
Mr. Chan Kai Nang	陳啟能先生	178	—	—	—	178
Mr. Pao Ping Wing	浦炳榮先生	168	—	—	—	168
Mr. Ng Chi Keung	吳志強先生	177	—	—	—	177
		1,003	13,739	12,922	72	27,736
Year ended 31 December 2021	截至二零二一年十二月三十一日止年度					
Executive directors	執行董事					
Madam Foo Kam Chu Grace	傅金珠女士	120	5,652	5,601	18	11,391
Ms. Chan Wai Ling	陳慧苓小姐	120	4,320	5,322	18	9,780
Mr. Chan Hing Tat (appointed on 14 April 2021)*	陳慶達先生 (於二零二一年四月十四日獲委任)*	86	3,401	5,169	18	8,674
Mr. Tse Wai Hang	謝偉衡先生	120	2,100	175	18	2,413
Independent non-executive directors	獨立非執行董事					
Mr. Chan Kai Nang	陳啟能先生	178	—	—	—	178
Mr. Pao Ping Wing	浦炳榮先生	168	—	—	—	168
Mr. Ng Chi Keung	吳志強先生	177	—	—	—	177
		969	15,473	16,267	72	32,781

* The emoluments paid or payable to Mr. Chan Hing Tat includes emoluments for services as employees of the Group prior to becoming the director of the Company.

11. 董事及高級管理層之酬金

(a) 董事酬金

已付或應付董事酬金如下：

* 上述已付或應付陳慶達先生之酬金，包括彼成為本公司董事前任職本集團僱員之酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

11. Directors' and Senior Management's Emoluments (Continued)**(a) Directors' Emoluments (Continued)**

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 independent non-executive directors' emoluments shown above were for their services as Directors.

Certain executive Directors are entitled to bonus payments which are determined in accordance with the performance of the Group.

There is no chief executive appointed for both years.

There were no arrangements under which a director waived or agreed to waive any remuneration during the year (2021: nil).

(b) Five Highest Paid Individuals

The five individuals whose emoluments were the highest in the Group for the year included four (2021: three) Directors, whose emoluments are reflected in the analysis presented above. The emoluments paid to the remaining one (2021: two) individual during the year are as follows:

11. 董事及高級管理層之酬金(續)**(a) 董事酬金(續)**

上列執行董事酬金乃就彼等管理本公司及本集團事務之服務而支付。上列獨立非執行董事酬金乃就彼等擔任董事而支付。

若干執行董事有權獲支付按照本集團表現釐定之花紅。

兩個年度內均無委任行政總裁。

年內概無任何安排令董事可據此豁免或同意豁免任何薪酬(二零二一年：無)。

(b) 五位最高薪人士

本年度，本集團五位最高薪人士包括四位(二零二一年：三位)董事，彼等之酬金反映於上述之分析。年內其餘一位(二零二一年：兩位)人士之酬金如下：

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Basic salaries, bonuses and other benefits	基本薪金、花紅及其他福利	3,996	4,875
Performance-related bonuses	表現相關花紅	999	3,288
Pension costs — defined contribution plan	退休金成本—定額供款計劃	—	36
		4,995	8,199

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

11. Directors' and Senior Management's Emoluments (Continued)**(b) Five Highest Paid Individuals (Continued)**

The emoluments of the remaining one (2021: two) individuals fell within the following bands:

		Number of individuals 人數	
		2022 二零二二年	2021 二零二一年
HK\$3,000,001 – HK\$3,500,001	港幣3,000,001元 – 港幣3,500,001元	—	1
HK\$4,500,001 – HK\$5,000,000	港幣4,500,001元 – 港幣5,000,000元	1	—
HK\$5,000,001 – HK\$5,500,001	港幣5,000,001元 – 港幣5,500,001元	—	1

No emoluments were paid by the Group to the Directors or any of five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office and no Director waived or agreed to waive any emoluments during each of the two years ended 31 December 2022 and 2021.

11. 董事及高級管理層之酬金(續)**(b) 五位最高薪人士(續)**

其餘一位(二零二一年:兩位)人士之酬金分佈組別如下:

截至二零二二年及二零二一年十二月三十一日止兩個年度各年，本集團概無向董事或五位最高薪人士任何一位支付酬金，作為促使其加入本集團及於加入本集團時之獎金或離職之補償，且概無董事豁免或同意豁免任何酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

12. Employee Benefit Expense (Including Directors' Emoluments)

12. 僱員福利開支(包括董事酬金)

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Salaries and wages (including Directors' remuneration) and bonus	薪金及工資(包括董事酬金)及花紅	134,891	122,539
Pension costs — defined contribution plans (note)	退休金成本一定額供款計劃(附註)	4,152	3,637
Staff welfare	員工福利	2,412	2,364
		141,455	128,540

Note:

The Group operates a defined contribution retirement benefit plan under the Mandatory Provident Fund ("MPF") Schemes Ordinance in Hong Kong, for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries.

The employees of the Group's subsidiaries which operate in the Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme.

During the year ended 31 December 2022, the Group incurred employee compensation expenses of HK\$46,522,000 (2021: HK\$47,713,000) included in the above employee benefit expense, which is employed on behalf of the third parties to whom these subsidiaries provided building management services. Such expenses are set-off with other income from building management services received by the Group.

附註：

本集團在香港根據強制性公積金(「強積金」)計劃條例，為其所有合資格參加強積金計劃之僱員設有定額供款退休福利計劃。供款乃按僱員基本薪金之百分比計算。

本集團於中國內地經營之附屬公司之僱員須參與當地市政府運作之中央退休金計劃。該等附屬公司須按其薪金成本之若干百分比向中央退休金計劃供款。

於截至二零二二年十二月三十一日止年度內，本集團包括在上述僱員福利開支內之僱員薪酬開支港幣46,522,000元(二零二一年：港幣47,713,000元)，為該等附屬公司向第三方提供樓宇管理服務時代為支付的僱員薪酬開支。而該等開支於本集團收取的樓宇管理服務所得其他收入予以抵銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

13. Income Tax Expense

13. 所得稅開支

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Hong Kong Profits Tax:	香港利得稅：		
Tax for the year (note (a))	本年度稅項(附註(a))	27,820	38,012
Mainland China Enterprise Income Tax (“EIT”):	中國內地企業所得稅(「企業所得稅」)：		
Tax for the year (note (b))	本年度稅項(附註(b))	7,026	10,413
Mainland China Corporate withholding Income Tax (note (c))	中國內地企業預扣所得稅(附註(c))	5,983	—
Mainland China Land Appreciation Tax (“LAT”) (note (d))	中國內地土地增值稅(「土地增值稅」)(附註(d))	30,439	3,863
Under/(over)-provision in prior years	過往年度撥備不足／(超額撥備)	103	(611)
Deferred tax charge (note 27)	遞延稅項支出(附註27)	9,349	10,331
		80,720	62,008

Notes:

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

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

- (b) For the year ended 31 December 2022, all of the Group's Mainland China subsidiaries were subject to Mainland China EIT rate of 25% (2021: 25%).
- (c) Pursuant to the EIT Law of PRC and the Detailed Implementation Rules, distribution of the profits earned by the PRC subsidiaries since 1 January 2008 to holdings companies incorporated in Hong Kong is subjected to the PRC withholding tax at the applicable tax rates of 5%.

附註：

- (a) 在利得稅兩級制下，合資格集團實體首港幣2百萬元利潤之利得稅率將為8.25%，而超過港幣2百萬元的利潤則按16.5%稅率徵稅。不可按利得稅兩級制課稅之集團實體之利潤將繼續按16.5%之劃一稅率徵稅。

兩個年度之香港利得稅乃按估計應課稅溢利按稅率16.5%計算。

- (b) 截至二零二二年十二月三十一日止年度，本集團所有中國內地附屬公司按25%（二零二一年：25%）之稅率繳納中國內地企業所得稅。
- (c) 根據中國企業所得稅法及實施條例，自二零零八年一月一日起，凡向香港註冊成立之控股公司分派中國附屬公司賺取之利潤，均須按適用稅率5%繳納中國預扣稅。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

13. Income Tax Expense (Continued)

Notes: (Continued)

- (d) Under the Provisional Regulations of LAT (《中華人民共和國土地增值稅暫行條例》) effective on 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the Mainland China on LAT (《中華人民共和國土地增值稅暫行條例實施細則》) effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the Mainland China is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, being the proceeds of sales of properties less deductible expenditures including borrowing costs and property development expenditures in relation to the gains arising from sales of properties in the Mainland China effective from 1 January 2004, with an exemption provided for property sales of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

Reconciliation between income tax expense and loss before income tax expense at applicable tax rates is as follows:

13. 所得稅開支(續)

附註：(續)

- (d) 根據於一九九四年一月一日生效之《中華人民共和國土地增值稅暫行條例》及於一九九五年一月二十七日生效之《中華人民共和國土地增值稅暫行條例實施細則》，自二零零四年一月一日起，在中國內地出售或轉讓國有土地使用權、建築物及其附著物之所有收入，均須按增值額30%至60%之累進稅率繳納土地增值稅。增值額即出售物業所得款項減去可扣稅支出，包括有關在中國內地出售物業所得收益之借貸成本及物業發展支出。倘普通標準住宅之增值額未超過可扣稅項目總額20%，普通標準住宅之物業銷售則免徵土地增值稅。

所得稅開支及除所得稅開支前虧損按適用稅率計算之對賬如下：

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Loss before income tax expense	除所得稅開支前虧損	(181,671)	(746,092)
Tax at Hong Kong Profits Tax rate of 16.5%	按香港利得稅稅率16.5%計算之稅項	(29,976)	(123,105)
Tax effect of non-deductible expenses	不獲扣減之費用之稅務影響	87,407	191,274
Tax effect of non-taxable income	毋須課稅之收入之稅務影響	(10,898)	(12,369)
Tax effect of tax losses not recognised	未確認之稅項虧損之稅務影響	1,268	—
Utilisation of previously unrecognised tax losses	動用過往未確認之稅項虧損	(298)	(344)
Under/(over)-provision in prior years	過往年度撥備不足／(超額撥備)	103	(611)
Provision for LAT for the year	年內土地增值稅撥備	30,439	3,863
Tax effect of LAT deductible for Mainland China EIT	中國內地企業所得稅之可扣減土地增值稅之稅務影響	(5,022)	(637)
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區營運之附屬公司之不同稅率之影響	2,389	3,175
Effect of Mainland China Corporate withholding income tax on dividend income from subsidiaries	中國內地企業預扣所得稅對來自附屬公司之股息收入之影響	5,983	—
Others	其他	(675)	762
Income tax expense	所得稅開支	80,720	62,008

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

14. Other Comprehensive (Expense)/Income, Net of Tax

The amount of tax relating to each component of other comprehensive (expense)/income can be summarised as follows:

14. 其他全面(開支)/收入，扣除稅項後

有關其他全面(開支)/收入各部分之稅項金額概列如下：

	2022			2021		
	二零二二年			二零二一年		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
	除稅前	稅項	除稅後	除稅前	稅項	除稅後
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
<i>Items that will not be reclassified to profit or loss:</i>	<i>以下項目將不會重新分類到損益：</i>					
Change in fair value of financial assets at FVTOCI	按公平值計入其他全面收入之財務資產之公平值變動					
	(171)	—	(171)	559	—	559
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>以下項目其後可能重新分類到損益：</i>					
Exchange (loss)/gain on translation of foreign operations	換算海外業務之匯兌(虧損)/收益					
	(27,912)	—	(27,912)	18,922	—	18,922
Other comprehensive (expense)/income	其他全面(開支)/收入					
	(28,083)	—	(28,083)	19,481	—	19,481

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

15. Dividend

(a) Dividend Attributable to the Year

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Proposed final dividend of HK\$0.20 (2021: HK\$0.20) per share	建議末期股息每股 港幣0.20元(二零二一年： 港幣0.20元)	56,662	56,662

Final dividend of HK\$0.20 (2021: HK\$0.20) per share for the year to shareholders whose names appear on the register of members on 1 June 2023 was proposed by the Directors on 23 March 2023.

The final dividend proposed after the reporting date has not been recognised as a liability at the reporting date.

(b) Dividend Attributable to the Previous Financial Year, Approved and Paid during the Year

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Final dividend in respect of the previous financial year of HK\$0.20 per share (2021: final dividend of HK\$0.20 per share)	過往財政年度之末期股息 每股港幣0.20元 (二零二一年：末期股息 每股港幣0.20元)	56,662	56,662

15. 股息

(a) 本年度之股息

董事於二零二三年三月二十三日建議向於二零二三年六月一日名列於股東名冊之股東派付本年度末期股息每股港幣0.20元(二零二一年：港幣0.20元)。

於報告日期後建議之末期股息並無於報告日期確認為負債。

(b) 過往財政年度之股息，於年內獲批准及支付

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

16. Loss per Share

The calculation of the loss per share of the Company is based on the loss for the year attributable to owners of the Company of HK\$268,201,000 (2021: HK\$807,930,000) and the number of ordinary shares of 283,308,635 (2021: 283,308,635) in issue during the year.

No diluted loss per share for years ended 31 December 2022 and 2021 was presented as there were no potential ordinary shares in issue during the years ended 31 December 2022 and 2021.

16. 每股虧損

本公司每股虧損的計算基於本公司擁有人應佔年內虧損港幣268,201,000元(二零二一年：港幣807,930,000元)及年內已發行普通股數目283,308,635股(二零二一年：283,308,635股)。

截至二零二二年及二零二一年十二月三十一日止年度概無呈列每股攤薄虧損，此乃由於截至二零二二年及二零二一年十二月三十一日止年度並無已發行之潛在普通股。

17. Investment Properties**17. 投資物業**

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Fair Value	公平值		
As at 1 January	於一月一日	19,808,515	20,626,625
Additions	增添		
— Purchase of units	— 購買單位	397	407,804
— Sublease of leased properties	— 分租租賃物業	42,581	31,664
— Construction costs	— 建設成本	42,513	890
Transfer to assets held for sale (note 37)	轉撥至待售資產(附註37)	—	(75,300)
Disposal of subsidiaries (note 38)	出售附屬公司(附註38)	(48,300)	(105,710)
Disposal of an investment property	出售投資物業	(6,827)	—
Net fair value loss on investment properties	投資物業公平值虧損淨額	(464,274)	(1,077,458)
As at 31 December	於十二月三十一日	19,374,605	19,808,515

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

17. Investment Properties (Continued)

The Group leases out commercial buildings, industrial buildings and retail stores under operating leases with rentals payable monthly. The Group also subleases its leased properties under operating leases with rentals payable monthly. The leases typically run for an initial period of one to six years, with unilateral rights to extend the lease beyond initial period held by lessees only. Majority of the lease contracts contain market review clauses in the event the lessee exercises the option to extend. The leases of retail stores contain minimum annual lease payments that are fixed over the lease term and lease payment of certain leases of retail stores are determined by the higher of 10% to 25% of the sale and the monthly lease payment.

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

All of the Group's investment properties are measured using the fair value model and are classified and accounted for as investment properties.

The Group's investment properties were revalued at 31 December 2022 and 2021 by an independent qualified professional valuer, Cushman & Wakefield Limited ("C&W"), on market value basis which conforms with The Hong Kong Institute of Surveyors Valuation Standard:

- The completed investment properties (whole block of commercial building) are revalued by adopting income capitalisation method, which involves certain estimates, including capitalisation rates and reversionary rental value;

17. 投資物業(續)

本集團根據經營租賃出租商業樓宇、工業大廈及零售商舖，租金須每月支付。本集團亦根據經營租賃分租其租賃物業，租金須每月支付。該等租賃一般初始租期為一至六年，只有承租人有權單方面於初始租期後延長租賃。大部分租約包含市場檢討條款，容許承租人行使延長權。零售商舖的租賃包含於租賃期內固定的最低每年租賃付款，而零售商舖的若干租賃的租賃付款則以銷售額10%至25%及每月租賃付款兩者中的較高者釐定。

本集團並無因該等租賃安排而面臨外幣風險，原因是所有租賃均以集團實體各自之功能貨幣計值。該等租約並不包含剩餘價值擔保及／或承租人於租期結束時購買該物業之選擇權。

本集團所有投資物業皆以公平值模式計量，並分類以及計入為投資物業。

本集團之投資物業由獨立合資格專業估值師戴德梁行有限公司(「戴德梁行」)於二零二二年及二零二一年十二月三十一日按與香港測量師學會評估準則相符之市值基準進行重估：

- 已落成投資物業(整幢商業樓宇)採用收入資本化法重估，當中涉及包括資本化比率及復歸租值之若干估計；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

17. Investment Properties (Continued)

- The completed investment properties (individual units (including commercial, industrial and residential properties) or ground floor retail properties) are revalued based on direct comparison method, by reference to market transactions of comparable properties;
- The leased properties under sublease arrangement by the Group, are revalued based on income capitalisation method which involves certain estimates, including capitalisation rates and reversionary rental value; and
- Investment properties under re-development were revalued on the re-development basis by adopting the residual method. The value is based on the re-development potential of the properties as if these properties will be developed and completed in accordance with the existing redevelopment proposal at the date of valuation and is determined by deducting the estimated total cost of the development, including costs of construction, professional fee, finance costs, associated costs and an allowance of profit that duly reflected developer's risk associated with the development from the gross development value.

In determining the fair values of the investment properties, the Group engages an independent qualified professional valuer to perform the valuation. The management works with the independent qualified professional valuer to establish the appropriate valuation techniques and inputs for level 3 fair value measurement. Where there is a material change in the fair value of the investment properties, the causes of the fluctuations will be reported to the Directors.

In relying on these valuations, the management has exercised judgement and is satisfied that the methods of valuation adopted are appropriate and reflective of the current market conditions.

17. 投資物業(續)

- 已落成投資物業(個別單位(包括商業、工業及住宅物業)或地下零售物業)按照直接比較法重估，當中參考可比較物業之市場交易；
- 本集團在分租安排下之租賃物業乃按收入資本化法重估，當中涉及包括資本化比率及復歸租值之若干估計；及
- 重建投資物業採用剩餘法按重建基準重估。價值以物業重建潛力為基準，猶如該等物業於估值日期按照現有重建方案發展及落成一樣，並經自發展總值扣除估計發展總成本(包括建築成本、專業費用、融資成本、相關成本及妥為反映發展商與發展項目相關之風險的溢利撥備)而釐定。

在釐定投資物業之公平值時，本集團委聘獨立合資格專業估值師進行估值。管理層與獨立合資格專業估值師合作，就第3級公平值計量確立適當的估值技術及數據。倘投資物業公平值出現重大變動，則向董事報告波動原因。

於依賴此等估值時，管理層已運用其判斷，並信納所採納之估值方法屬適當並反映現時市況。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

17. Investment Properties (Continued)

The carrying amount of the Group's investment properties is a level 3 fair value measurement. There were no investment property transfers into or out of level 3 fair value measurement during both years.

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used).

17. 投資物業(續)

本集團投資物業之賬面值為第3級公平值計量。於兩個年度內，並無投資物業轉入或轉出第3級公平值計量。

下表載列有關如何釐定該等投資物業之公平值(特別是所使用的估值技術及數據)之資料。

Investment properties held by the Group in the consolidated statement of financial position 本集團於綜合財務狀況表所持有之投資物業	Fair value as at 31 December 2022 於二零二二年十二月三十一日之公平值 HK\$'000 港幣千元	Valuation technique(s) 估值技術	Significant unobservable input(s) 主要不可觀察數據	Range of significant unobservable inputs 主要不可觀察數據之範圍	Interrelationship between significant unobservable input(s) and fair value measurement 主要不可觀察數據與公平值計量之互相關係
Completed investment properties 已落成投資物業					
Completed investment properties (whole block of commercial building)	13,889,000 (2021: 14,640,000)	Income capitalisation method	Reversionary rental value	HK\$22 – HK\$55 (2021: HK\$23 – HK\$56) per month per square foot for upper-level office/restaurants premises; HK\$65 – HK\$639 (2021: HK\$70 – HK\$789) per month per square foot for ground floor shops	The higher the reversionary rental value, the higher the fair value
已落成投資物業 (整幢商業樓宇)	13,889,000 (2021年: 14,640,000)	收入資本化法	復歸租值	高層辦公室/餐廳場所 每平方呎每月 港幣22元至港幣55元 (2021年: 港幣23元至 港幣56元); 地舖每平方呎每月 港幣65元至港幣639元 (2021年: 港幣70元至 港幣789元)	復歸租值越高, 公平值越高
			Capitalisation rate	2.25% – 3.5% (2021: 2.25% – 3.5%)	The higher the capitalisation rate, the lower the fair value
			資本化比率	2.25%至3.5% (2021年: 2.25%至3.5%)	資本化比率越高, 公平值越低
Completed investment properties (individual units (including commercial, industrial and residential properties) or ground floor retail properties)	2,034,605 (2021: 2,486,465)	Direct comparison method	Price per square foot	HK\$8,300 – HK\$112,000 (2021: HK\$8,300 – HK\$120,000) per square foot for commercial properties HK\$2,800 – HK\$11,300 (2021: HK\$2,700 – HK\$11,300) per square foot for industrial properties HK\$5,400 – HK\$26,000 (2021: HK\$5,400 – HK\$27,200) per square foot for residential properties	The higher the price per square foot, the higher the fair value
已落成投資物業 (個別單位(包括商業、工業及住宅物業)或地下零售物業)	2,034,605 (2021年: 2,486,465)	直接比較法	每平方米價格	商業物業每平方米 港幣8,300元至 港幣112,000元 (2021年: 港幣8,300元至 港幣120,000元) 工業物業每平方米港幣2,800元至 港幣11,300元 (2021年: 港幣2,700元至 港幣11,300元) 住宅物業每平方米港幣5,400元至 港幣26,000元 (2021年: 港幣5,400元至 港幣27,200元)	每平方米價格越高, 公平值越高

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

17. Investment Properties (Continued)

17. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 本集團於綜合財務狀況表所持有之投資物業	Fair value as at 31 December 2022 於二零二二年十二月三十一日之公平值 HK\$'000 港幣千元	Valuation technique(s) 估值技術	Significant unobservable input(s) 主要不可觀察數據	Range of significant unobservable inputs 主要不可觀察數據之範圍	Interrelationship between significant unobservable input(s) and fair value measurement 主要不可觀察數據與公平值計量之互相關係
Leased properties 租賃物業					
Leased properties under sublease arrangement by the Group	50,400 (2021: 22,050)	Income capitalisation method	Reversionary rental value	HK\$9-HK\$21 (2021: \$12-HK\$15) per month per square foot	The higher the reversionary rental value, the higher the fair value
本集團在分租安排下之租賃物業	50,400 (2021年: 22,050)	收入資本化法	復歸租值	每平方呎每月港幣9元至港幣21元 (2021年: 港幣12元至港幣15元)	復歸租值越高, 公平值越高
			Capitalisation rate	3.25% (2021: 3.25%)	The higher the capitalisation rate, the lower the fair value
			資本化比率	3.25% (2021年: 3.25%)	資本化比率越高, 公平值越低
Investment properties under re-development 重建投資物業					
Investment properties under re-development	3,400,600 (2021: 2,660,000)	Residual method	Price per square foot	HK\$21,000 – HK\$22,000 per square foot for office premises (2021: HK\$20,000 – HK\$22,000 per square foot for office premises); HK\$25,000 – HK\$32,000 (2021: HK\$25,000 – HK\$32,000) per square foot for retail properties HK\$7,200 (2021: nil) per square foot for industrial properties	The higher the price per square foot, the higher the fair value
重建投資物業	3,400,600 (2021年: 2,660,000)	剩餘法	每平方米價格	辦公室物業每平方米港幣21,000元至港幣22,000元 (2021年: 辦公室物業每平方米港幣20,000元至港幣22,000元); 零售物業每平方米港幣25,000元至港幣32,000元 (2021年: 港幣25,000元至港幣32,000元) 工業物業每平方米港幣7,200元(2021年: 無)	每平方米價格越高, 公平值越高
			Estimated construction and other professional costs to completion	HK\$2,300 – HK\$5,700 (2021: HK\$3,600 – HK\$3,900) per square foot	The higher the estimated construction and other professional costs, the lower the fair value
			估計完成所需建築及其他專業成本	每平方米港幣2,300元至港幣5,700元 (2021年: 港幣3,600元至港幣3,900元)	估計建築及其他專業成本越高, 公平值越低
			Estimated profit margin required to hold and develop the investment properties to completion	10% – 15% (2021: 10%)	The higher estimated profit margin, the lower the fair value
			持有及發展投資物業至完成所需估計利潤率	10%至15% (2021年: 10%)	估計利潤率越高, 公平值越低

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

17. Investment Properties (Continued)

There were no changes to the valuation techniques for the investment properties other than disclosed above during the year.

The fair value measurement is based on the above investment properties' highest and best use. The fair values of certain investment properties have been adjusted to exclude prepaid or accrued operating lease income to avoid double counting.

As at 31 December 2022, certain investment properties of the Group with total carrying amount of approximately HK\$11,715,400,000 (2021: approximately HK\$12,699,100,000) were pledged to secure borrowings of approximately HK\$1,774,527,000 (2021: approximately HK\$1,871,501,000) (note 26).

As at 31 December 2022, certain investment properties of the Group with total carrying amount of HK\$2,200,600,000 are related to a sale and purchase agreement entered by the Group with an independent third party on 9 August 2022, to sell the entire interests of a wholly-owned subsidiary, Linking Smart Limited and its subsidiaries (the "Disposal Group") at a total consideration of HK\$3,208.8 million. The Disposal Group is a wholly-owned subsidiary of the Company and the immediate sole shareholder of the owners of the investment properties. As at 31 December 2022, total deposit of HK\$320,881,500 were received by the Group from the purchaser and included in the consolidated statement of financial position under "trade and other payables". Details of the above transaction are disclosed in the Company's announcement dated 11 August 2022 and 19 January 2023 respectively and the circular of the Company dated 23 September 2022.

On 19 January 2023, the Group, the purchaser, the seller guarantor and the purchaser guarantor entered into a supplemental agreement (the "Supplemental Agreement"), pursuant to which the Group agreed to extend the date of the purchaser's payment of the further deposit of HK\$320,881,500 for six 6 months from 9 February 2023 to 9 August 2023 with the interest of HK\$11,200,083 agreed to be paid and paid on 8 February 2023.

Details of the Supplemental Agreement are set out in the announcement of the Company dated 19 January 2023.

17. 投資物業(續)

除以上披露外，年內投資物業之估值技術並無變動。

公平值計量乃按照上述投資物業之最高及最佳用途。若干投資物業之公平值已經調整，以排除預付或應計經營租賃收入從而避免重複計算。

於二零二二年十二月三十一日，本集團已將賬面總值約港幣11,715,400,000元(二零二一年：約港幣12,699,100,000元)之若干投資物業抵押以獲取為數約港幣1,774,527,000元(二零二一年：約港幣1,871,501,000元)之借貸(附註26)。

於二零二二年十二月三十一日，本集團賬面總值港幣2,200,600,000元之若干投資物業涉及本集團於二零二二年八月九日與獨立第三方訂立以出售全資附屬公司Linking Smart Limited及其附屬公司(「出售集團」)全部權益之買賣協議，總代價為港幣3,208,800,000元。出售集團為本公司之全資附屬公司及投資物業擁有人之直接唯一股東。於二零二二年十二月三十一日，本集團從買方收到按金總額港幣320,881,500元，並計入綜合財務狀況表之「貿易及其他應付款項」中。上述交易詳情於本公司日期分別為二零二二年八月十一日及二零二三年一月十九日之公告以及日期為二零二二年九月二十三日之通函中披露。

於二零二三年一月十九日，本集團、買方、賣方擔保人及買方擔保人訂立補充協議(「補充協議」)，據此本集團同意將買方支付進一步按金港幣320,881,500元之日期延長六(6)個月，由二零二三年二月九日延展至二零二三年八月九日，並協定應支付利息港幣11,200,083元。該利息已於二零二三年二月八日支付。

補充協議詳情載於本公司日期為二零二三年一月十九日之公告內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

18. Property, Plant and Equipment

18. 物業、廠房及設備

		Leasehold lands	Buildings	Leasehold improvements	Fixture, fixtures and equipment 傢俬、 裝置及設備	Motor vehicles	Leased properties	Total
		租賃土地 HK\$'000 港幣千元	樓宇 HK\$'000 港幣千元	租賃物業裝修 HK\$'000 港幣千元	裝置及設備 HK\$'000 港幣千元	汽車 HK\$'000 港幣千元	租賃物業 HK\$'000 港幣千元	總額 HK\$'000 港幣千元
Opening net carrying amount	年初賬面淨值	80,541	34,978	9,953	326	892	8,526	135,216
Additions	增添	—	—	—	400	—	839	1,239
Disposal/write-off	出售/撇銷	—	—	(158)	—	—	—	(158)
Deficit on revaluation (note 10)	重估虧損(附註10)	—	(120)	—	—	—	—	(120)
Depreciation	折舊	(554)	(880)	(4,699)	(124)	(139)	(6,652)	(13,048)
Exchange realignment	匯兌調整	(596)	—	—	7	(12)	—	(601)
Closing net carrying amount	年終賬面淨值	79,391	33,978	5,096	609	741	2,713	122,528
As at 31 December 2022	於二零二二年 十二月三十一日							
Cost/Valuation	成本/估值	88,032	33,978	47,601	13,219	3,341	11,447	197,618
Accumulated depreciation	累計折舊	(8,641)	—	(42,505)	(12,610)	(2,600)	(8,734)	(75,090)
Net carrying amount	賬面淨值	79,391	33,978	5,096	609	741	2,713	122,528
Analysis of cost/valuation	成本/估值分析							
At cost	按成本	79,391	—	5,096	609	741	2,713	88,550
At professional valuation	按專業估值	—	33,978	—	—	—	—	33,978
		79,391	33,978	5,096	609	741	2,713	122,528

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

18. Property, Plant and Equipment (Continued) 18. 物業、廠房及設備(續)

		Leasehold lands	Buildings	Leasehold improvements	Fixture, fixtures and equipment 傢俬、 裝置及設備	Motor vehicles	Leased properties	Total
		租賃土地	樓宇	租賃物業裝修	裝置及設備	汽車	租賃物業	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Opening net carrying amount	年初賬面淨值	80,805	36,378	15,989	443	1,113	16,722	151,450
Additions	增添	—	—	3,390	7	—	—	3,397
Disposal/write-off	出售/撇銷	—	—	—	(14)	(79)	—	(93)
Deficit on revaluation (note 10)	重估虧損(附註10)	—	(520)	—	—	—	—	(520)
Depreciation	折舊	(566)	(880)	(9,426)	(118)	(150)	(8,196)	(19,336)
Exchange realignment	匯兌調整	302	—	—	8	8	—	318
Closing net carrying amount	年終賬面淨值	80,541	34,978	9,953	326	892	8,526	135,216
As at 31 December 2021	於二零二一年 十二月三十一日							
Cost/Valuation	成本/估值	88,930	34,978	47,759	12,893	3,367	24,729	212,656
Accumulated depreciation	累計折舊	(8,389)	—	(37,806)	(12,567)	(2,475)	(16,203)	(77,440)
Net carrying amount	賬面淨值	80,541	34,978	9,953	326	892	8,526	135,216
Analysis of cost/valuation	成本/估值分析							
At cost	按成本	88,930	—	47,759	12,893	3,367	24,729	177,678
At professional valuation	按專業估值	—	34,978	—	—	—	—	34,978
		88,930	34,978	47,759	12,893	3,367	24,729	212,656

The above items of property, plant and equipment less their residual values over their estimated useful lives, using straight-line method, at the following rates per annum:

Leasehold lands/leased properties	Over the lease period
Buildings	2%
Leasehold improvements	10%–30%
Furniture, fixtures and equipment	10%–20%
Motor vehicles	6%–15%

上述物業、廠房及設備項目在其估計可用期內採用直線法，按下列年率減其剩餘價值：

租賃土地/租賃物業	於租期內
樓宇	2%
租賃物業裝修	10%–30%
傢俬、裝置及設備	10%–20%
汽車	6%–15%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

18. Property, Plant and Equipment (Continued)

As at 31 December 2022, the Group's buildings in Hong Kong are stated at valuation of HK\$33,978,000 (2021: HK\$34,978,000). The Group's buildings were revalued by C&W based on net replacement cost method. For the year ended 31 December 2022, a revaluation loss of approximately HK\$120,000 (2021: Loss HK\$520,000) had been recognised.

As at 31 December 2022, leasehold land and buildings of the Group with carrying amount of HK\$96,321,000 (2021: HK\$97,397,000) were pledged to secure borrowings of the Group (note 26).

The fair value of the Group's owner-occupied buildings is a level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balance is provided below.

There was no transfers into or out of level 3 during the year.

18. 物業、廠房及設備(續)

於二零二二年十二月三十一日，本集團於香港之樓宇以估值港幣33,978,000元(二零二一年：港幣34,978,000元)列賬。本集團之樓宇由戴德梁行按淨重置成本法重估。截至二零二二年十二月三十一日止年度重估虧損約港幣120,000元(二零二一年：虧損港幣520,000元)已確認。

於二零二二年十二月三十一日，本集團抵押賬面值為港幣96,321,000元(二零二一年：港幣97,397,000元)之租賃土地及樓宇以獲得本集團之借貸(附註26)。

本集團自用樓宇之公平值為第3級經常性公平值計量。年初及年終公平值結餘之對賬載列如下。

於本年度，並無轉入或轉出第3級。

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Opening balance (level 3 recurring fair value)	年初結餘(第3級經常性公平值)	34,978	36,378
Depreciation	折舊	(880)	(880)
Deficit on revaluation of properties held for own use	重估持作自用物業之虧損	(120)	(520)
Closing balance (level 3 recurring fair value)	年終結餘(第3級經常性公平值)	33,978	34,978

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

18. Property, Plant and Equipment (Continued)

In determining the fair values of the buildings, the Group engages an independent qualified professional valuer to perform the valuation. The management works with the independent qualified professional valuer to establish the appropriate valuation techniques and inputs for level 3 fair value measurement. Where there is a material change in the fair value of the owner-occupied buildings, the causes of the fluctuations will be reported to the Directors.

There has been no change to the valuation technique during the year.

The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

The following table gives information about how the fair values of these buildings are determined (in particular, the valuation techniques and inputs used).

Building held by the Group measured at revaluation model	Fair value as at 31 December 2022 於二零二二年十二月三十一日之公平值 HK\$'000 港幣千元	Valuation technique(s)	Significant unobservable input(s)	Range of significant unobservable inputs	Interrelationship between significant unobservable input(s) and fair value measurement
本集團持有按重估模型計量之樓宇		估值技術	主要不可觀察數據	主要不可觀察數據之範圍	主要不可觀察數據與公平值計量之互相關係
Owner-occupied buildings	33,978 (2021: 34,978)	Net replacement cost	Building replacement cost per square feet	HK\$4,300 per square foot (2021: HK\$4,300) (note)	The higher the building replacement cost per feet with reference to comparables, the higher the fair value
自用樓宇	33,978 (2021年: 34,978)	淨重置成本	每平方呎樓宇重置成本	每平方呎港幣4,300元 (2021年: 港幣4,300元)(附註)	參照可比較物業之每呎樓宇重置成本越高, 公平值越高

Note: Building replacement cost per square feet is determined with reference to market comparables of constructing works, taking into account of use, location and other individual factors such as total floor level and type of structure.

18. 物業、廠房及設備(續)

在釐定樓宇公平值時，本集團已委聘獨立合資格專業估值師進行估值。管理層與獨立合資格專業估值師合作就第3級公平值計量制定適當之估值技術及數據。倘自用樓宇公平值出現重大變動，將會向董事報告波動原因。

於本年度，估值技術概無變更。

公平值計量乃基於上述物業之最高及最佳用途，與其實際用途並無差異。

下表載列有關如何釐定該等樓宇公平值(特別是所使用估值技術及數據)之資料。

附註：每平方呎樓宇重置成本乃參考市場上可比較之建築工程而釐定，當中計及用途、位置以及總樓層及構築物類型等其他個別因素。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

18. Property, Plant and Equipment (Continued) The Group as Lessee

Right-of-use assets (included in the property, plant and equipment)

18. 物業、廠房及設備(續)

本集團作為承租人

使用權資產(計入物業、廠房及設備)

		Leasehold land 租賃土地 HK\$'000 港幣千元	Leased properties 租賃物業 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
As at 31 December 2021	於二零二一年 十二月三十一日	80,541	8,526	89,067
As at 31 December 2022	於二零二二年 十二月三十一日	79,391	2,713	82,104
For the year ended 31 December 2021	截至二零二一年 十二月三十一日止年度	(566)	(8,196)	(8,762)
Depreciation charge	折舊開支	302	—	302
Exchange realignment	匯兌調整			
Total cash outflow for leases	租賃現金流出總額			(12,108)
For the year ended 31 December 2022	截至二零二二年 十二月三十一日止年度	(554)	(6,652)	(7,206)
Depreciation charge	折舊開支	(596)	—	(596)
Exchange realignment	匯兌調整			
Total cash outflow for leases	租賃現金流出總額			(24,359)

For both years, the Group leases various commercial and industrial premises for its operations. Lease contracts are entered into for fixed term of three to four years, but may have extension options as described below. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

於兩個年度，本集團租賃不同商業及工業物業以作營運。租約以三至四年之固定年期訂立，惟可如下文所述帶有延長選擇權。於釐定租期及評估不可撤銷年期時，本集團應用合約之定義並釐定合約強制執行之年期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

18. Property, Plant and Equipment (Continued) The Group as Lessee (Continued)

The Group has extension options in a number of leases for commercial and industrial premises. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension options held are exercisable only by the Group and not by the respective lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The potential exposures to these future lease payments for extension options in which the Group is not reasonably certain to exercise:

18. 物業、廠房及設備(續) 本集團作為承租人(續)

本集團於若干用作商業及工業物業的租賃中擁有延長選擇權。該等選擇權為有助盡量提升本集團在管理經營所用的資產上之靈活性。所持的大部分延長選擇權僅可由本集團行使而不可由相關的出租人行使。本集團於租賃開始日期評估是否合理確定會行使延長選擇權。本集團並未能合理確定行使延長選擇權的該等未來租賃付款之潛在影響：

	Lease liabilities recognised as at 31 December		Potential future lease payments not included in lease liabilities as at 31 December	
	2022	2021	2022	2021
	於十二月三十一日確認的 租賃負債		於十二月三十一日未計入租賃負債的 潛在未來租賃付款	
	二零二二年	二零二一年	二零二二年	二零二一年
	HK\$'000	HK\$'000	(undiscounted) (未折現)	(undiscounted) (未折現)
	港幣千元	港幣千元	港幣千元	港幣千元
Commercial and industrial premises – Hong Kong 商業及工業物業 – 香港	50,615	29,428	134,873	91,507

During the year ended 31 December 2022 and 2021, the Group did not exercise any extension options.

In addition, the Group reassesses whether it is reasonably certain to exercise an extension option upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the years ended 31 December 2022 and 2021, there is no such triggering event.

於截至二零二二年及二零二一年十二月三十一日止年度，本集團並無行使任何延長選擇權。

此外，於發生重大事件或情況出現重大變動且屬於承租人所能控制範圍時，本集團會重估是否合理確定行使延長選擇權。於截至二零二二年及二零二一年十二月三十一日止年度，概無有關觸發事件。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

18. Property, Plant and Equipment (Continued)**Restrictions or covenants on leases**

In addition, lease liabilities of HK\$50,615,000 are recognised with related sublease of the leased properties of HK\$50,400,000 included in investment properties and right-of-use assets included in property, plant and equipment of HK\$2,713,000 as at 31 December 2022 (2021: lease liabilities of HK\$29,428,000 and related sublease of the leased properties of HK\$22,050,000 included in investment properties and right-of-use assets included in property, plant and equipment of HK\$8,526,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

18. 物業、廠房及設備(續)**租賃限制或契諾**

此外，於二零二二年十二月三十一日確認租賃負債港幣50,615,000元，租賃物業之相關分租港幣50,400,000元計入投資物業，而使用權資產港幣2,713,000元計入物業、廠房及設備(二零二一年：租賃負債港幣29,428,000元及租賃物業之相關分租港幣22,050,000元計入投資物業，以及使用權資產港幣8,526,000元計入物業、廠房及設備)。除出租人持有的於租賃資產的抵押權益外，租賃協議不施加任何契諾。租賃資產不得用作借款抵押。

19. Properties for Sale**19. 待售物業**

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Carrying amount as at 1 January	於一月一日之賬面值	888,704	940,144
Additions	增添	235,612	56,930
Disposals	出售	(46,791)	(76,460)
Adjustment (note)	調整(附註)	—	(40,960)
Exchange realignment	匯兌調整	(14,413)	9,050
Carrying amount as at 31 December	於十二月三十一日之賬面值	1,063,112	888,704

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Completed properties for sale	已落成待售物業	213,186	277,143
Properties under development for sale	待售發展中物業	849,926	611,561
Carrying amount as at 31 December	於十二月三十一日之賬面值	1,063,112	888,704

Note: The amount represents the reversal of the accruals on construction works in respect of the completed properties for sale remained unsold at the end of the reporting period upon the final payment agreed with the respective suppliers during the year ended 31 December 2021.

附註：該金額指截至二零二一年十二月三十一日止年度在最終支付與各供應商協定之款項後，就報告期末仍未售出之已落成待售物業而撥回建築工程應計款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

19. Properties for Sale (Continued)

As at 31 December 2021, properties under development for sale of HK\$611,561,000 (2022: Nil) represented the carrying amount of the properties expected to be completed over one year from the end of the reporting period.

As at 31 December 2022, included in the completed properties for sale was a joint operation project amounting to approximately HK\$3,360,000 (2021: HK\$3,360,000) to jointly develop a property site for residential purpose located at 1–11 Lai Yin Street and 2–12 Jones Street, Tai Hang, Hong Kong in which the Group has a 20.24% equity interest. In 2014, the Directors determined that the Group's share of the completed units would be put up for sale when completed and, accordingly, reclassified its proportionate share of the interest in this property development from investment properties under construction to properties under development for sale. The Group bears a proportionate share of the joint operation's assets, liabilities, revenue and expenses. The occupation permit was released by the Buildings Department during the year ended 31 December 2016. During the years ended 31 December 2022 and 2021, there is no revenue and cost of properties for sale recognised.

19. 待售物業(續)

於二零二一年十二月三十一日，待售發展中物業港幣611,561,000元(二零二二年：無)為預期將於報告期末起計超過一年竣工之物業之賬面值。

於二零二二年十二月三十一日，已落成待售物業包括一項為數約港幣3,360,000元(二零二一年：港幣3,360,000元)之合營項目，以共同開發一個位於香港大坑禮賢街1至11號及重士街2至12號作住宅用途之物業地盤，其中本集團擁有20.24%之股權。於二零一四年，董事確定本集團分佔之已落成單位將於建成後放售，因此，本集團將其按比例應佔該物業發展項目權益，由在建投資物業重新分類至待售發展中物業。本集團承擔按比例應佔合營業務之資產、負債、收益及開支。屋宇署於截至二零一六年十二月三十一日止年度內發出入住許可證。於截至二零二二年及二零二一年十二月三十一日止年度，概無確認待售物業收益及成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

20. Trade and Other Receivables/Loan Receivables

20. 貿易及其他應收款項／應收貸款

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
<i>Current assets:</i>	<i>流動資產：</i>		
Trade receivables	貿易應收款項		
— contract with customers	— 客戶合約	9,753	7,255
— rental receivables	— 應收租金	40,834	27,451
Total trade receivables	貿易應收款項總額	50,587	34,706
Less: allowance for credit losses	減：信貸虧損撥備	(4,022)	(4,667)
Total trade receivables, net	貿易應收款項總額，淨額	46,565	30,039
Loan receivables (Note)	應收貸款(附註)	145,680	147,191
Less: allowance for credit losses	減：信貸虧損撥備	(141,776)	(142,023)
Total loan receivables, net	應收貸款總額，淨額	3,904	5,168
Other receivables, utility deposits and prepayment	其他應收款項、公共服務按金及預付款項	123,601	116,550
Total trade and other receivables categorised as current assets	分類為流動資產之貿易及其他應收款項總額	174,070	151,757
<i>Non-current assets:</i>	<i>非流動資產：</i>		
Loan receivables (Note)	應收貸款(附註)	5,906	16,552
		179,976	168,309

As at 1 January 2021, the gross carrying amount of trade receivables from contracts with customers amounted to HK\$3,933,000.

於二零二一年一月一日，來自與客戶合約的貿易應收款項之賬面總值為港幣3,933,000元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

20. Trade and Other Receivables/Loan Receivables (Continued)

As at 31 December 2022 and 2021, based on invoice dates, the ageing analysis of the trade receivables, net of allowance for credit losses, was the following:

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
0–30 days	0至30天	16,854	10,950
31–90 days	31至90天	13,669	8,863
91–180 days	91至180天	8,075	2,508
Over 180 days	超過180天	7,967	7,718
Total trade receivables, net	貿易應收款項總額，淨額	46,565	30,039

Normally, other than those property leasing rental receivables which are secured by rental deposits, the Group does not obtain collateral from other customers.

As at 31 December 2022, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$46,565,000 (2021: HK\$30,039,000) which are past due as at the reporting date. Out of the past due balances, HK\$16,042,000 (2021: HK\$10,226,000) has been past due 90 days or more and is not considered as in default as these debtors have a good business relationship with the Group and recurring overdue records of these debtors with satisfactory settlement history.

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

20. 貿易及其他應收款項／應收貸款(續)

於二零二二年及二零二一年十二月三十一日，根據發票日期，貿易應收款項扣除信貸虧損撥備後之賬齡分析載列如下：

一般而言，除以租金按金抵押之該等物業租賃應收租金外，本集團不會向其他客戶收取抵押品。

於二零二二年十二月三十一日，本集團之貿易應收款項結餘包括於報告日期已逾期賬面總值港幣46,565,000元(二零二一年：港幣30,039,000元)之債務人。在逾期結餘中，港幣16,042,000元(二零二一年：港幣10,226,000元)已逾期90天或以上，而並不視為違約，原因是該等債務人與本集團有良好業務關係，而該等債務人均有令人滿意的清償經常性逾期款項之記錄。

有關貿易應收款項之減值虧損以撥備賬記錄，除非本集團信納收回該筆款項之可能性極低，在該情況下，減值虧損會直接於貿易應收款項中撇銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

20. Trade and Other Receivables/Loan Receivables (Continued)

Details of impairment assessment of trade receivables, other receivables and deposits for the years ended 31 December 2022 and 2021 are set out in note 39.2(b).

Note:

As at 1 January 2021, included in loan receivables is an aggregate amount of HK\$4,000,000 which were secured, interest-bearing at Hong Kong Prime Interest Rate minus 2.5% per annum and repayable within 1 year from reporting date. The repayment date of these loan receivables was extended by one year during the year ending 31 December 2021 and further nine months during the year ended 31 December 2022 with a principal repayment of HK\$400,000.

For the remaining loan receivables amounting to HK\$6,210,000 (2021: HK\$17,720,000) which are secured, interest-bearing at Hong Kong Prime Interest Rate minus 2% to 2.5% per annum (2021: 2% to 2.5% per annum) for the first 36 months from the date of loan drawdown and thereafter at the Hong Kong Prime Interest Rate. The loan receivables were repayable in 216 to 360 monthly instalments (2021: 216 to 360 monthly instalments) with the final instalment payable in year 2035 to 2047 (2021: year 2035 to 2047). As at 31 December 2022, loan receivables of HK\$1,137,000 (2021: HK\$10,276,000) could be early terminated by the borrowers at the principal and accrued interest after 60 months after drawdown date.

The current portion of HK\$3,904,000 (2021: HK\$5,168,000) which is expected to be recovered within one year is classified as current assets while the balance of HK\$5,906,000 (2021: HK\$16,552,000) is classified as non-current assets which is expected to be recovered over one year.

No loan receivables (other than the Unsecured Loan stated above) are past due as at 31 December 2022 and 2021. The loan receivables are secured by second mortgage on the properties located in Hong Kong (other than the Unsecured Loan stated above). The Group is not permitted to sell or repledge the properties in the absence of default by the borrower. There has not been any significant changes in the quality of the collateral held for the loans receivables. Details of impairment assessment for the year ended 31 December 2022 and 2021 are set out in note 39.2(b).

20. 貿易及其他應收款項／應收貸款(續)

截至二零二二年及二零二一年十二月三十一日止年度貿易應收款項、其他應收款項及訂金之減值評估詳情載於附註39.2(b)。

附註：

於二零二一年一月一日，列入應收貸款合共港幣4,000,000元之款項為有抵押，按香港最優惠利率減2.5厘之年利率計息，並須於報告日期起計一年內償還。該等應收貸款的償還日期於截至二零二一年十二月三十一日止年度延長一年，於截至二零二二年十二月三十一日止年度償還本金港幣400,000元後，再延長九個月。

其餘應收貸款為數港幣6,210,000元(二零二一年：港幣17,720,000元)之款項為有抵押，於提用貸款日期起計首36個月按香港最優惠利率減2厘至2.5厘(二零二一年：2厘至2.5厘)之年利率計息，其後按香港最優惠利率計息。應收貸款分216至360期(二零二一年：216至360期)每月償還，最後一期還款應於二零三五年至二零四七年(二零二一年：二零三五年至二零四七年)支付。於二零二二年十二月三十一日，應收貸款港幣1,137,000元(二零二一年：港幣10,276,000元)可由借款人於提用日期起計60個月後按本金及應計利息提早終止。

預期於一年內收回之即期部分港幣3,904,000元(二零二一年：港幣5,168,000元)分類為流動資產，餘額港幣5,906,000元(二零二一年：港幣16,552,000元)分類為非流動資產，預期將於超過一年後收回。

於二零二二年及二零二一年十二月三十一日概無逾期應收貸款(除上述無抵押貸款外)。應收貸款以位於香港之物業二按作抵押(除上述無抵押貸款外)。如借款人並無違約，本集團不可銷售或轉按物業。就應收貸款持有之抵押品之質量並無任何重大變動。截至二零二二年及二零二一年十二月三十一日止年度之減值評估詳情載於附註39.2(b)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

21. Financial Assets at FVTPL/FVTOCI**Financial assets at FVTPL**

As at 31 December 2022, included in financial assets at FVTPL are structured bank deposits of HK\$38,884,000 (2021: HK\$2,815,000) placed with a bank in the Mainland China and contain embedded derivatives which returns are determined by reference to the return of the underlying portfolio of listed shares invested by the bank and the duration of deposits placed. The deposits could be withdrawn at the Group's discretion and are subject to early termination option of the issuing bank at the price of the principal outstanding plus the return of underlying portfolio of listing shares up to the date of withdrawal/early termination. Annual return rate as at 31 December 2022 is 2.08% (2021: 3.42%).

The structured bank deposits are reclassified as financial assets at FVTPL because their contractual cash flows do not represent solely the payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL as at 31 December 2022 and 2021 are stated at fair values based on valuation provided by the issuing bank. The fair value measurements are categorised to Level 2.

Financial assets at FVTOCI

As at 31 December 2022, financial assets at FVTOCI which were investment in unlisted funds of HK\$39,656,000 (2021: HK\$28,605,000) are stated at fair values.

Directors have elected to designate the investments as at FVTOCI as they believe that the investments are held for long-term strategic purposes and not expected to be sold in the foreseeable future.

Financial assets at FVTOCI as at 31 December 2022 are stated at fair value based on the net asset value of fund (i.e. fair value of the portfolio included in the fund). The fair value measurements are categorised to Level 2.

21. 按公平值計入損益／按公平值計入其他全面收入之財務資產**按公平值計入損益之財務資產**

於二零二二年十二月三十一日，按公平值計入損益之財務資產包括結構性銀行存款港幣38,884,000元(二零二一年：港幣2,815,000元)，存放於中國內地一間銀行，並包含嵌入式衍生工具，其回報乃參考銀行投資之相關上市股份組合回報及存款年期而釐定。本集團可酌情提取存款，而存款可由發行銀行選擇按截至提取／提前終止日期之未償還本金另加相關上市股份組合回報之價格提前終止。於二零二二年十二月三十一日，每年回報利率為2.08% (二零二一年：3.42%)。

由於結構性銀行存款之合約現金流量並非完全用作支付本金及未償還本金利息，因此結構性銀行存款重新分類為按公平值計入損益之財務資產。

於二零二二年及二零二一年十二月三十一日，按公平值計入損益之財務資產根據發行銀行提供之估值按公平值列賬。公平值計量分類為第2級。

按公平值計入其他全面收入之財務資產

於二零二二年十二月三十一日，按公平值計入其他全面收入之財務資產港幣39,656,000元(二零二一年：港幣28,605,000元)為非上市基金投資，乃按公平值列賬。

董事選擇按公平值計入其他全面收入來指定投資，原因是彼等認為該等投資乃為長遠策略目的持有，且預期不會在可見將來出售。

於二零二二年十二月三十一日，按公平值計入其他全面收入之財務資產乃根據基金資產淨值(即基金包括之投資組合之公平值)按公平值列賬。公平值計量分類為第2級。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

22. Restricted Bank Deposits/Short-Term Bank Deposits/Cash and Cash Equivalents

The cash and bank balances of the Group was summarised as follows:

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Restricted bank deposits	受限制銀行存款	—	16,110
Short-term bank deposits with original maturity over three months	原到期日超出三個月之短期銀行存款	272,400	251,181
Cash and cash equivalents	現金及現金等價物	1,122,544	885,358
Total cash and bank balances	現金及銀行結餘總額	1,394,944	1,152,649

Restricted bank deposits and cash and cash equivalents earn interest at floating rates based on the daily bank deposit rates.

As at 31 December 2022 and 2021, short-term bank deposits with original maturity over three months were placed up till 1 year depending on the immediate cash requirement of the Group, and earned fixed-rate interest at respective time deposits rates of range from 4.05% to 6.10% (2021 : 1.50%) per annum.

Included in total cash and bank balances of the Group is HK\$138,578,000 (2021: HK\$306,449,000) of bank balances denominated in Renminbi ("RMB") placed with banks in the Mainland China. RMB is not a freely convertible currency. Under the Mainland China's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

The Directors considered that the fair value of the cash and cash equivalents is not materially different from their carrying amount.

22. 受限制銀行存款／短期銀行存款／現金及現金等價物

本集團之現金及銀行結餘之概要如下：

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Restricted bank deposits	受限制銀行存款	—	16,110
Short-term bank deposits with original maturity over three months	原到期日超出三個月之短期銀行存款	272,400	251,181
Cash and cash equivalents	現金及現金等價物	1,122,544	885,358
Total cash and bank balances	現金及銀行結餘總額	1,394,944	1,152,649

受限制銀行存款以及現金及現金等價物根據每日銀行存款利率按浮動利率賺取利息。

於二零二二年及二零二一年十二月三十一日，原到期日超出三個月之短期銀行存款存放年期長達一年，視乎本集團之即時現金需求而定，並按照各自之定期存款年利率介乎4.05%至6.10% (二零二一年：1.50%) 賺取固定利率之利息。

計入本集團現金及銀行結餘總額包括存放於中國內地多間銀行為數港幣138,578,000元(二零二一年：港幣306,449,000元)之人民幣(「人民幣」)計值銀行結餘。人民幣並非可自由兌換之貨幣。根據中國內地之外匯管理條例及結匯、售匯及付匯管理規定，本集團獲准經由授權進行外匯業務之銀行以人民幣兌換外幣。

董事認為，現金及現金等價物之公平值與賬面值並無重大差異。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

22. Restricted Bank Deposits/Short-Term Bank Deposits/Cash and Cash Equivalents (Continued)

In the course of business, certain bank accounts were opened and held in the name of certain subsidiaries in form of trust on behalf of third parties to whom these subsidiaries provided building management services. As at the reporting date, those bank balances held in form of trust on behalf of third parties and were not recognised in the consolidated financial statements of the Group amounted to HK\$89,899,000 (2021: HK\$82,242,000).

22. 受限制銀行存款／短期銀行存款／現金及現金等價物(續)

於業務過程中，若干附屬公司以其名義代第三方(附屬公司向其提供樓宇管理服務之人士)以信託形式開設及持有若干銀行賬戶。於報告日期，該等為數港幣89,899,000元(二零二一年：港幣82,242,000元)之銀行結餘乃以信託形式代第三方持有，並無於本集團之綜合財務報表內確認。

23. Trade and Other Payables

23. 貿易及其他應付款項

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Trade payables	貿易應付款項	18,466	17,405
Receipt in advance	預收款項	26,013	25,127
Deposits received on disposal of subsidiaries (note 17)	出售附屬公司之已收按金(附註17)	320,882	—
Deposit received on disposal of an investment property (note 37)	出售投資物業之已收按金(附註37)	—	1,500
Rental deposits received	已收租金按金	136,989	156,653
Accruals on construction works	建築工程應計款項	192,573	200,661
Other accrued expenses and other payables	其他應計費用及其他應付款項	160,403	144,542
		855,326	545,888

Trade payables had credit periods ranging from 30 to 90 days. Based on invoice dates, the ageing analysis of trade payables was the following:

貿易應付款項之信貸期介乎30至90天。根據發票日期，貿易應付款項之賬齡分析載列如下：

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
0–30 days	0至30天	4,787	4,101
31–90 days	31至90天	963	3,254
Over 90 days	超過90天	12,716	10,050
Total trade payables	貿易應付款項總額	18,466	17,405

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

24. Contract Liabilities

24. 合約負債

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Deposits received in advance associated with pre-sale of properties for sale situated in:	有關預售位於下列地點之待售物業之預收訂金：		
— Hong Kong	— 香港	113,496	7,006
— the Mainland China	— 中國內地	7,072	40,180
		120,568	47,186

As at 1 January 2021, the carrying amount of contract liabilities is HK\$27,682,000.

As at 31 December 2022 and 2021, deposits received in advance received by Group for the disposal of properties for sale are expected to be completed and sold within one year from the end of the reporting period.

於二零二一年一月一日，合約負債之賬面值為港幣27,682,000元。

本集團於二零二二年及二零二一年十二月三十一日就出售預期於報告期末起計一年內竣工及出售之待售物業預收訂金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

24. Contract Liabilities (Continued)

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

24. 合約負債(續)

下表列示本年度就結轉合約負債確認之收益金額以及與於過往期間履行之履約責任相關之金額。

		Sales of completed properties for sale For the year ended 31 December 2022 銷售已落成 待售物業 截至二零二二年 十二月三十一 止年度 HK\$'000 港幣千元	Sales of completed properties for sale For the year ended 31 December 2021 銷售已落成 待售物業 截至二零二一年 十二月三十一 止年度 HK\$'000 港幣千元
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	計入年初合約負債結餘之已確認收益	31,431	14,487
Revenue to be recognised from unsatisfied performance obligations	因未履行履約責任將予確認之收益	593,622	82,193

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

The Group receives 10% to 30% of the contract amount as deposits from customers when they sign the sale and purchase agreement. However, depending on market conditions, the Group may offer customers a discount compared to the listed sales price, provided that the customers agree to pay the balance of the consideration early while construction is still ongoing. The deposits result in contract liabilities being recognised throughout the property construction period until the customer obtains control of the completed properties for sale.

影響已確認合約負債金額之一般付款條款如下：

本集團在客戶簽署買賣協議時收取合約金額之10%至30%作為客戶訂金。然而，本集團可能視乎市況，按所列售價向客戶提供折扣，前提是客戶同意在建築工程仍在進行期間提早支付代價餘額。該等訂金導致在整段物業建築期間內確認合約負債，直至客戶取得已落成待售物業之控制權為止。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

25. Lease Liabilities

25. 租賃負債

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Lease liabilities payables	應付租賃負債		
Within one year	一年內	20,912	13,729
With a period of more than one year	一年以上	29,703	15,699
		50,615	29,428
Less: amount due for settlement within 12 months shown under current liabilities	減：於12個月內到期清償列為流動負債之金額	(20,912)	(13,729)
Amount due for settlement after 12 months shown under non-current liabilities	於12個月後到期清償列為非流動負債之金額	29,703	15,699

The weighted average incremental borrowing rates applied to lease liabilities is 3.93% (2021: 3.93%).

應用於租賃負債之加權平均增量借貸利率為3.93% (二零二一年：3.93%)。

All lease liabilities were denominated in the functional currencies of the relevant group entities.

所有租賃負債均以相關集團實體之功能貨幣計值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

26. Borrowings

26. 借貸

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Current liabilities	流動負債		
Bank loans — secured	銀行貸款—有抵押	87,728	1,396,158
Non-current liabilities	非流動負債		
Bank loans — secured	銀行貸款—有抵押	1,686,799	475,343
		1,774,527	1,871,501
Carrying amount of bank loans repayable based on the scheduled repayment dates set out in the loan agreements:	根據貸款協議所載預定還款日期應償還之銀行貸款賬面值：		
Within one year	一年內	87,728	1,396,158
More than one year, but not exceeding two years	一年以上但不超過兩年	595,072	26,297
More than two years, but not exceeding five years	兩年以上但不超過五年	1,091,727	449,046
Total bank loans	銀行貸款總額	1,774,527	1,871,501
Carrying amount of bank loans matured within one year (shown under current liabilities)	於一年內到期之銀行貸款之賬面值(列於流動負債)	(87,728)	(1,396,158)
Amount shown under non-current liabilities	非流動負債所列金額	1,686,799	475,343

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

26. Borrowings (Continued)

As at 31 December 2022 and 2021, bank loans are secured by certain investment properties, certain properties for sale and property, plant and equipment of the Group with a total carrying value of approximately HK\$12,661,647,000 (2021: HK\$12,796,497,000) as set out in notes 17 and 18 respectively to the consolidated financial statements.

The analysis that shows the remaining contractual maturities of the Group's borrowings is set out in note 39.2(c) to the consolidated financial statements.

The effective interest rates of the Group's borrowings at the reporting date were as follows:

26. 借貸(續)

於二零二二年及二零二一年十二月三十一日，銀行貸款乃以本集團賬面總值約港幣12,661,647,000元(二零二一年：港幣12,796,497,000元)之若干投資物業、若干待售物業以及物業、廠房及設備作為抵押，分別載於綜合財務報表附註17及18。

顯示本集團借貸之餘下合約到期日之分析載於綜合財務報表附註39.2(c)。

於報告日期本集團借貸之實際利率如下：

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Bank loans	銀行貸款		
— HK\$-denominated loans	— 港幣貸款		
		Hong Kong Inter-bank Offered Rate ("HIBOR") +1.12% p.a. to HIBOR+1.30% p.a. 香港銀行同業 拆息(「香港同業 拆息」)+年利率 1.12%至香港 同業拆息 +年利率1.30%	Hong Kong Inter-bank Offered Rate ("HIBOR") +1.15% p.a. to HIBOR+1.6% p.a. 香港銀行同業 拆息(「香港同業 拆息」)+年利率 1.15%至香港 同業拆息 +年利率1.6%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

27. Deferred Taxation

The movement on the deferred tax account is as follows:

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
As at 1 January	於一月一日	115,306	105,945
Deferred taxation charged/(credited) to:	於以下項目扣除/(計入)之 遞延稅項:		
— Profit or loss (note 13)	— 損益(附註13)	9,349	10,331
— Disposal of subsidiaries (note 38)	— 出售附屬公司(附註38)	—	(970)
As at 31 December	於十二月三十一日	124,655	115,306

27. 遞延稅項

遞延稅項賬目之變動如下:

The followings are the major deferred tax liabilities and assets recognised in the consolidated statement of financial position and the movements during the current and prior years:

以下為於綜合財務狀況表確認之主要遞延稅項負債及資產以及於本年度及過往年度之變動:

		Accelerated tax depreciation 加速 稅項折舊 HK\$'000 港幣千元	Surplus on revaluation of owner- occupied properties 重估自用 物業盈餘 HK\$'000 港幣千元	Tax losses 稅項虧損 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
As at 1 January 2021	於二零二一年一月一日	106,336	6,554	(6,945)	105,945
Charged/(credited) to profit or loss (note 13)	於損益扣除/(計入)(附註13)	10,810	(86)	(393)	10,331
Disposal of subsidiaries (note 38(g))	出售附屬公司(附註38(g))	(970)	—	—	(970)
As at 31 December 2021	於二零二一年十二月三十一日	116,176	6,468	(7,338)	115,306
Charged/(credited) to profit or loss (note 13)	於損益扣除/(計入)(附註13)	9,904	(20)	(535)	9,349
As at 31 December 2022	於二零二二年十二月三十一日	126,080	6,448	(7,873)	124,655

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

27. Deferred Taxation (Continued)

As at 31 December 2022, the Group has aggregate amount of temporary differences associated with undistributed earnings of the Mainland China subsidiaries of approximately HK\$26,825,000 (2021: HK\$75,049,000) of which no deferred tax liabilities has been recognised. No deferred tax liabilities have been recognised in respect of these differences because the Group is in a position to control the dividend policies of its subsidiaries and the Directors considered that no dividend will be declared by these subsidiaries in the foreseeable future. Thus, such difference will not be reversed in the foreseeable future.

At the end of the reporting period, the Group has unused tax losses of approximately HK\$64,006,000 (2021: HK\$54,885,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$47,715,000 (2021: HK\$44,473,000 million) of such losses. No deferred tax asset has been recognised in respect of the remaining approximately HK\$16,291,000 (2021: HK\$10,412,000) due to unpredictability of future profit streams.

Included in unrecognised tax losses are losses of approximately HK\$4,440,000 (2021: HK\$2,191,000) which will expiry by five consecutive year. Other losses may be carried forward indefinitely.

28. Share Capital

		2022 二零二二年		2021 二零二一年	
		Number of shares 股份數目	HK\$'000 港幣千元	Number of shares 股份數目	HK\$'000 港幣千元
Authorised: Ordinary shares of HK\$0.10 each	法定： 每股面值港幣0.10元之 普通股	5,000,000,000	500,000	5,000,000,000	500,000
Issued and fully paid: As at 1 January and 31 December	已發行及繳足： 於一月一日及 十二月三十一日	283,308,635	28,331	283,308,635	28,331

27. 遞延稅項(續)

於二零二二年十二月三十一日，本集團有關中國內地附屬公司未分派盈利之相關暫時性差額總額約港幣26,825,000元(二零二一年：港幣75,049,000元)並無確認遞延稅項負債。由於本集團能夠控制其附屬公司之股息政策以及董事認為該等附屬公司於可見將來不會宣派股息，故並無就該等差額確認遞延稅項負債。因此，有關差額將不會於可見將來撥回。

於報告期末，本集團有未動用稅項虧損約港幣64,006,000元(二零二一年：港幣54,885,000元)可用於抵銷未來溢利。已就該等虧損確認遞延稅項資產約港幣47,715,000元(二零二一年：港幣44,473,000元)。由於未來溢利流不可預測，故此並無就餘下約港幣16,291,000元(二零二一年：港幣10,412,000元)確認遞延稅項資產。

未確認稅項虧損包含將於五個連續年度後到期之虧損約港幣4,440,000元(二零二一年：港幣2,191,000元)。其他虧損可無限期結轉。

28. 股本

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

29. Reserves
The Group29. 儲備
本集團

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Share premium (note (a))	股份溢價(附註(a))	690,811	690,811
Capital redemption reserve (note (b))	資本贖回儲備(附註(b))	295	295
Investment revaluation reserve	投資重估儲備	388	559
Retained profits	保留溢利	18,420,614	18,745,477
Exchange reserve	匯兌儲備	(24,740)	1,241
Special reserve (note (c))	特別儲備(附註(c))	1,848	1,848
Proposed final and special dividends (note 15(a))	建議末期及特別股息 (附註15(a))	56,662	56,662
		19,145,878	19,496,893

Notes:

- (a) Share premium represents the excess of consideration received over the par value of share issued.
- (b) Capital redemption reserve represents the amount equal to the par value of the bought-back shares, and such funds transferred from retained profits.
- (c) The special reserve of the Group represented the difference between the nominal value of the share capital issued by the Company in exchange for the nominal value of the share capital of the subsidiaries pursuant to the Group's re-organisation in 1997.

Details of the movements in the above reserves are set out in the consolidated statement of changes in equity on pages 184 to 187 to the consolidated financial statements.

附註：

- (a) 股份溢價指所收取代價高於已發行股份面值之差額。
- (b) 資本贖回儲備指相等於回購股份面值之款項，該等資金乃轉撥自保留溢利。
- (c) 本集團之特別儲備指根據本集團一九九七年重組由本公司已發行股本面值交換附屬公司股本面值之差額。

上述儲備之變動詳情載於綜合財務報表第184至187頁之綜合權益變動表。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

29. Reserves (Continued)
The Company29. 儲備(續)
本公司

		Share premium	Capital redemption reserve	Contributed surplus	Retained profits	Proposed final and special dividends	Total
		股份溢價	贖回儲備	繳納盈餘	保留溢利	建議末期及特別股息	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		(note (a))	(note (b))	(note (c))	(note (c))	(note (c))	(note (c))
		(附註(a))	(附註(b))	(附註(c))	(附註(c))	(附註(c))	(附註(c))
As at 1 January 2021	於二零二一年一月一日	690,811	295	1,263,288	581,154	56,662	2,592,210
Profit and other comprehensive income for the year	年內溢利及其他全面收入	—	—	—	621	—	621
Final dividends paid for 2020 (note 15(b))	已付二零二零年末期股息(附註15(b))	—	—	—	—	(56,662)	(56,662)
Proposed final dividends for 2021 (note 15(a))	建議二零二一年末期股息(附註15(a))	—	—	(56,662)	—	56,662	—
As at 31 December 2021	於二零二一年十二月三十一日	690,811	295	1,206,626	581,775	56,662	2,536,169
Profit and other comprehensive income for the year	年內溢利及其他全面收入	—	—	—	407	—	407
Final dividends paid for 2021 (note 15(b))	已付二零二一年末期股息(附註15(b))	—	—	—	—	(56,662)	(56,662)
Proposed final dividends for 2022 (note 15(a))	建議二零二二年末期股息(附註15(a))	—	—	(56,662)	—	56,662	—
As at 31 December 2022	於二零二二年十二月三十一日	690,811	295	1,149,964	582,182	56,662	2,479,914

Notes:

- (a) Share premium represents the excess of consideration received over the par value of shares issued.
- (b) Capital redemption reserve represents the amount equal to the par value of the bought-back shares transferred.
- (c) The contributed surplus represents the difference between the nominal value of the Company's shares issued in exchange for all the issued ordinary shares of Lucky Spark Limited (a subsidiary) and the value of the net underlying assets of the subsidiaries acquired. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus of the Company is available for distribution to the shareholders under certain circumstances. However, the Company cannot declare or pay a dividend or make a distribution out of contribution surplus if:

- (1) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (2) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

附註:

- (a) 股份溢價指所收取代價高於已發行股份面值之差額。
- (b) 資本贖回儲備指相等於已轉撥回購股份面值之款項。
- (c) 繳納盈餘乃指發行以換取Lucky Spark Limited (一家附屬公司)全部已發行普通股之本公司股份面值與所收購附屬公司相關淨資產值之差額。根據百慕達一九八一年公司法(經修訂),在若干情況下本公司之繳納盈餘可分派予股東。然而,倘發生以下情況,本公司不可從繳納盈餘宣派或支付股息或作出分派:

- (1) 不能或於支付後不能支付到期繳付之債務;或
- (2) 其資產之可變現值因此少於其債務、已發行股本及股份溢價賬之總額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

30. Commitments**Capital Commitments****30. 承擔****資本承擔**

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Contracted but not provided for:	已訂約惟未撥備：		
– Acquisition of investment properties	– 收購投資物業	17,641	54,679
– Acquisition of fund investments included as financial assets at FVTOCI	– 收購計入作為按公平值計入其他全面收入之財務資產之基金投資	—	10,920
		17,641	65,599

All capital commitments are due in the coming twelve months.

所有資本承擔均於未來十二個月內到期。

31. Operating Leasing Arrangements

Undiscounted lease payments receivable on leases are as follows:

31. 經營租賃安排

租賃之未折現應收租賃付款如下：

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Within one year	一年內	291,428	344,501
In the second year	第二年	164,366	179,739
In the third year	第三年	44,313	56,428
In the fourth year	第四年	15,189	14,112
In the fifth year	第五年	5,699	14,037
Over five years	五年以上	—	4,150
		520,995	612,967

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

31. Operating Leasing Arrangements (Continued)

The Group leases its investment properties (note 17) under operating lease arrangements which run for an initial period of one to six years (2021: one to six years), with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Group and the respective tenants. The terms of the leases also require the tenants to pay rental deposits. The turnover-related rental income received during the year amounted to HK\$1,348,000 (2021: HK\$3,412,000).

32. Financial Guarantee Contracts

As at 31 December 2022, the Group provided guarantees amounted to approximately HK\$51,166,000 (2021: HK\$90,564,000) to banks with respect to mortgage loans procured by the purchasers of the Group's properties. Such guarantees will be released by banks upon delivery of the properties to the purchasers and completion of the registration of the mortgage with the relevant mortgage registration authorities or settlement of the outstanding mortgage loan. In the opinion of the Directors, the fair value of the financial guarantee is not significant.

31. 經營租賃安排(續)

本集團根據經營租賃安排出租其投資物業(附註17)，初始租期一至六年(二零二一年：一至六年)，可選擇於到期日或本集團與有關承租人雙方同意之日期續期。租約條款亦規定承租人須繳付租金按金。年內已收營業額相關之租金收入為港幣1,348,000元(二零二一年：港幣3,412,000元)。

32. 財務擔保合約

於二零二二年十二月三十一日，本集團就本集團物業買家取得之按揭貸款向銀行提供擔保約港幣51,166,000元(二零二一年：港幣90,564,000元)。該等擔保將於物業交付予買家並向相關按揭登記機構辦妥按揭登記時或於清償尚欠按揭貸款時由銀行解除。董事認為，財務擔保之公平值並不重大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

33. Statement of Financial Position of the Company

33. 本公司之財務狀況表

		Notes 附註	2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Interests in subsidiaries	於附屬公司之權益	34	545,000	545,000
Amounts due from subsidiaries	應收附屬公司之款項		1,962,685	2,065,529
			2,507,685	2,610,529
Current assets	流動資產			
Other receivables	其他應收款項		399	397
Cash and cash equivalents	現金及現金等價物		491	323
			890	720
Current liabilities	流動負債			
Amount due to a subsidiary	應付附屬公司之款項		—	46,340
Accrued expenses and other payables	應計費用及其他應付款項		292	298
Provision for income taxation	所得稅撥備		38	111
			330	46,749
Net current liabilities	淨流動負債		560	(46,029)
Net assets	淨資產		2,508,245	2,564,500
EQUITY	權益			
Share capital	股本	28	28,331	28,331
Reserves	儲備	29	2,479,914	2,536,169
Total equity	權益總額		2,508,245	2,564,500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

34. Interests in Subsidiaries

Particulars of the principal subsidiaries as at 31 December 2022 and 2021 are as follows:

Name 公司名稱	Place of incorporation/ operation 註冊成立/營運地區	Particulars of nominal value of issued share capital/registered capital 已發行股本面值/ 註冊資本詳情	Percentage of interest held by the Company 本公司所持權益百分比				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2022 二零二二年	2021 二零二一年	2022 二零二二年	2021 二零二一年	
Billion Glory Properties Limited 億潤置業有限公司	Hong Kong 香港	Paid-up capital HK\$1 已繳股本港幣1元	—	—	100%	100%	Property investment 物業投資
Bond Rising Limited	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值美金1元之普通股	—	—	100%	100%	Investment holding 投資控股
Castle Peak Investment Properties Limited 青山道投資地產有限公司	Hong Kong 香港	Paid-up capital of HK\$1 已繳股本港幣1元	—	—	100%	100%	Property development 物業發展
Eternal Bonus Group Limited	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值美金1元之普通股	—	—	100%	100%	Investment holding 投資控股
Fortune Together Limited 福聯有限公司	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值美金1元之普通股	—	—	100%	100%	Investment holding 投資控股
Golden Relay Company Limited 崇贊有限公司	Hong Kong 香港	Paid-up capital of HK\$100,000 已繳股本港幣100,000元	—	—	100%	100%	Property investment 物業投資
Goldwell Property Management Limited 金衛物業管理有限公司	Hong Kong 香港	Paid-up capital of HK\$100,000 已繳股本港幣100,000元	—	—	100%	100%	Provision of building management service 提供樓宇管理服務

34. 於附屬公司之權益

於二零二二年及二零二一年十二月三十一日之主要附屬公司詳情如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

34. Interests in Subsidiaries (Continued)

34. 於附屬公司之權益(續)

Name 公司名稱	Place of incorporation/ operation 註冊成立/營運地區	Particulars of nominal value of issued share capital/registered capital 已發行股本面值/ 註冊資本詳情	Percentage of interest held by the Company 本公司所持權益百分比				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2022 二零二二年	2021 二零二一年	2022 二零二二年	2021 二零二一年	
Grape Trade Limited	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值美金1元之 普通股	—	—	100%	100%	Investment holding 投資控股
Harvest Fortune Limited 沛益有限公司	Hong Kong 香港	Paid-up capital of HK\$1 已繳股本港幣1元	—	—	100%	100%	Property investment 物業投資
Keep New Investment Limited 保新投資有限公司	Hong Kong 香港	Paid-up capital of HK\$1,000 已繳股本港幣1,000元	—	—	100%	100%	Property development 物業發展
Lead Properties Limited 領先置業有限公司	Hong Kong 香港	Paid-up capital of HK\$1 已繳股本港幣1元	—	—	100%	100%	Property investment 物業投資
One Storage Management Company Limited 至尊迷你倉管理有限公司	Hong Kong 香港	Paid-up capital of HK\$1 已繳股本港幣1元	—	—	100%	100%	Mini-storage 迷你倉
Onwell Properties Limited 安卓置業有限公司	Hong Kong 香港	Paid-up capital of HK\$1 已繳股本港幣1元	—	—	100%	100%	Property investment 物業投資
Power Huge Development Limited 威豪發展有限公司	Hong Kong 香港	Paid-up capital of HK\$1 已繳股本港幣1元	—	—	100%	100%	Property investment 物業投資
Sky Luck (China) Limited 天福(中國)有限公司	Hong Kong 香港	Paid-up capital of HK\$10,000 已繳股本港幣10,000元	—	—	100%	100%	Property investment 物業投資

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

34. Interests in Subsidiaries (Continued)

34. 於附屬公司之權益(續)

Name 公司名稱	Place of incorporation/ operation 註冊成立/營運地區	Particulars of nominal value of issued share capital/registered capital 已發行股本面值/ 註冊資本詳情	Percentage of interest held by the Company 本公司所持權益百分比		Principal activities 主要業務		
			Directly 直接	Indirectly 間接			
			2022 二零二二年	2021 二零二一年	2022 二零二二年	2021 二零二一年	
Soundwill (BVI) Limited	British Virgin Islands 英屬維爾京群島	100,001,000 ordinary shares of HK\$1 each 100,001,000股每股面值 港幣1元之普通股	100%	100%	—	—	Investment holding 投資控股
Soundwill Real Estate (China) Limited 金朝陽地產(中國)有限 公司	British Virgin Islands 英屬維爾京群島	1 ordinary share of US\$1 each 1股每股面值美金1元之 普通股	—	—	100%	100%	Investment holding 投資控股
Tang Lung Investment Properties Limited 登龍投資地產有限公司	Hong Kong 香港	Paid-up capital of HK\$1,000 已繳股本港幣1,000元	—	—	100%	100%	Property investment 物業投資
TCP Investment Properties Limited	Hong Kong 香港	Paid-up capital of HK\$1,000 已繳股本港幣1,000元	—	—	100%	100%	Property development 物業發展
Upper Wealthy Limited 康尚有限公司	Hong Kong 香港	Paid-up capital of HK\$1 已繳股本港幣1元	—	—	100%	100%	Property investment 物業投資
Wise Ease Limited 宜惠有限公司	Hong Kong 香港	Paid-up capital of HK\$10,000 已繳股本港幣10,000元	—	—	100%	100%	Property investment 物業投資
World Firm Limited 寰企有限公司	Hong Kong 香港	Paid-up capital of HK\$200 已繳股本港幣200元	—	—	100%	100%	Property investment 物業投資

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

34. Interests in Subsidiaries (Continued)

34. 於附屬公司之權益(續)

Name 公司名稱	Place of incorporation/ operation 註冊成立/營運地區	Particulars of nominal value of issued share capital/registered capital 已發行股本面值/ 註冊資本詳情	Percentage of interest held by the Company 本公司所持權益百分比				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2022 二零二二年	2021 二零二一年	2022 二零二二年	2021 二零二一年	
珠海市山水花城物業管理 有限公司*	Mainland China 中國內地	Registered capital of RMB25,000,000 註冊資本 人民幣25,000,000元	—	—	51%	51%	Property development 物業發展
肇慶金城房地產發展 有限公司*	Mainland China 中國內地	Registered capital of RMB30,000,000 註冊資本 人民幣30,000,000元	—	—	100%	100%	Property development 物業發展
珠海市騰基房產 有限公司*	Mainland China 中國內地	Registered capital of RMB23,000,000 註冊資本 人民幣23,000,000元	—	—	100%	100%	Property development 物業發展

Notes:

* These subsidiaries were established in the Mainland China as limited liability companies.

The Directors are of the opinion that a complete list of the particulars of all subsidiaries would be of excessive length and therefore the above list contains only the particulars of the principal subsidiaries which materially affect the results or assets of the Group.

None of the subsidiaries had issued any debt securities at the end of the year.

No financial information of the non-wholly owned subsidiaries is disclosed in the consolidated financial statements as the non-controlling interests are not material to the Group.

附註：

* 該等附屬公司於中國內地成立為有限責任公司。

董事認為載有所有附屬公司詳情之完整列表將會過於冗長，故上表僅載有該等對本集團業績或資產有重大影響力之主要附屬公司詳情。

附屬公司於年末概無發行任何債務證券。

非全資附屬公司之財務資料概無在綜合財務報表中披露，原因是該等非控股權益對本集團而言並不重大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

35. Non-Controlling Interests

35. 非控股權益

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
As at 1 January	於一月一日	16,476	16,727
Profit/(loss) for the year	年內溢利／(虧損)	5,810	(170)
Exchange loss on translation of foreign operations	換算海外業務之匯兌虧損	(1,931)	(81)
Dividend paid to non-controlling interest	已付非控股權益股息	(18,930)	—
As at 31 December	於十二月三十一日	1,425	16,476

The non-controlling interests of subsidiaries that are not 100% owned by the Group are considered to be immaterial and therefore no further details are disclosed.

非由本集團擁有100%權益之附屬公司之非控股權益被視為不重大，因此並無披露進一步詳情。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

36. Related Party Transactions

The following transactions with related parties were, in the opinion of the Directors, carried out in the ordinary course of business during the year:

36. 關聯人士交易

董事認為，下列於年內與關聯人士進行之交易乃於日常業務過程中進行：

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Short-lease expense and management fee expense in respect of office premises situated in Guangzhou, the Mainland China (note (a))	位於中國內地廣州之辦公室物業之短期租賃開支及管理費開支(附註(a))	297	306
Short-lease expense for leasing carparking spaces situated in Guangzhou, the Mainland China (note (b))	租賃位於中國內地廣州之停車位之短期租賃開支(附註(b))	14	29

Notes:

- (a) A subsidiary of the Company entered into a tenancy agreement with a related company, in which two executive directors of the Company have interests, for leasing a number of premises situated in Guangzhou, the Mainland China for office purpose.
- (b) For the years ended 31 December 2022 and 2021, a subsidiary of the Company entered into tenancy agreements with a related company, in which a close family member of two executive directors of the Company have interests, for leasing one (2021: two) carparking spaces situated in Guangzhou, the Mainland China.

附註：

- (a) 本公司一家附屬公司與一家關連公司(本公司兩名執行董事擁有權益)簽訂租賃協議，租賃多項位於中國內地廣州之物業作辦公室用途。
- (b) 截至二零二二年及二零二一年十二月三十一日止年度，本公司一家附屬公司與一家關連公司(本公司兩名執行董事之近親及擁有權益)訂立租賃協議，租賃位於中國內地廣州之一個(二零二一年：兩個)停車位。

Key management personnel compensation:

主要管理人員薪酬：

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Basic salaries and other benefits	基本薪金及其他福利	32,136	39,495
Pension costs — defined contribution plans	退休金成本 — 定額供款計劃	72	90
		32,208	39,585

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

37. Assets Classified as Held for Sale

On 11 November 2021, the Group entered into a sale and purchase agreement with an independent third party to dispose an investment property at consideration of HK\$29,000,000, with the direct disposal expenses of HK\$400,000. As at 31 December 2021, an initial deposit of HK\$1,500,000 was received by the Group from the purchaser and included in the consolidated statement of financial position under “trade and other payables”. The disposal was completed on 15 March 2022 and a gain on disposal of HK\$28,000 is recognised in profit or loss.

As at 31 December 2021, the assets and liabilities related to a wholly-owned subsidiary, King Huge Enterprises Limited and its subsidiaries (collectively the “King Huge Group”) were disposed to another independent third party at a consideration of HK\$47,300,000, with the direct disposal expenses of HK\$600,000. The disposal of subsidiary is investment holding company which in turn holds an investment property located in Hong Kong. The disposal of the subsidiary was completed on 6 April 2022.

In accordance with HKFRS 5, the assets relating to the disposal of investment properties/subsidiaries have been classified as held for sale in the consolidated statement of financial position. The disposals do not constitute a discontinued operation as it does not represent a major line of business or geographical area of operation.

37. 分類為待售之資產

於二零二一年十一月十一日，本集團與一名獨立第三方訂立買賣協議以出售一個投資物業，代價為港幣29,000,000元，直接出售開支為港幣400,000元。於二零二一年十二月三十一日，本集團從買方收到首期按金港幣1,500,000元，並計入綜合財務狀況表的「貿易及其他應付款項」中。該項出售已於二零二二年三月十五日完成，並於損益確認出售收益港幣28,000元。

於二零二一年十二月三十一日，向另一名獨立第三方出售與全資附屬公司君凱企業有限公司及其附屬公司（統稱「君凱企業集團」）有關之資產及負債，代價為港幣47,300,000元，直接出售開支為港幣600,000元。所出售之附屬公司為投資控股公司，持有位於香港之投資物業。該附屬公司之出售已於二零二二年四月六日完成。

根據香港財務報告準則第5號，有關出售投資物業／附屬公司之資產已於綜合財務狀況表分類為待售。有關出售並非主要業務線或營運地區，因此並不構成已終止經營之業務。

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Investment properties	投資物業	—	75,300
Total assets classified as held for sale	分類為待售之總資產	—	75,300

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

38. Disposal of subsidiaries**Disposal of subsidiaries during year ended 31 December 2022**

During the year ended 31 December 2022, the Group has disposed 2 subsidiaries to independent third parties at aggregate consideration of HK\$95,300,000. Direct expenses in relation to the disposals was HK\$1,043,000 and resulted in loss of disposal of HK\$788,000. The following detailed the key disposals of subsidiaries during the year:

- (a) On 6 April 2022, the Group entered into a sales and purchases agreement to disposal of the entire equity interest in King Huge Group with details disclosed in note 37. The disposal of King Huge Group was completed on 6 April 2022. The net assets of King Huge Group at the date of disposal were as follows:

38. 出售附屬公司**於截至二零二二年十二月三十一日止年度出售附屬公司**

截至二零二二年十二月三十一日止年度，本集團向獨立第三方出售2間附屬公司，總代價為港幣95,300,000元，有關出售之直接開支為港幣1,043,000元，因而產生出售虧損港幣788,000元。以下詳列年內出售之主要附屬公司：

- (a) 於二零二二年四月六日，本集團訂立買賣協議出售君凱企業集團之全部股權，詳情載於附註37。君凱企業集團之出售已於二零二二年四月六日完成。君凱企業集團於出售日期之淨資產如下：

		HK\$'000 港幣千元
Net assets disposed of	出售之淨資產	
Investment properties (note)	投資物業(附註)	46,700
Other receivable	其他應收款項	45
Amounts due to fellow subsidiaries	應付同系附屬公司款項	(1,460)
		45,285
Loan assignment	貸款轉讓	1,460
Direct expenses in relation to disposal of King Huge Group	有關出售君凱企業集團之直接開支	366
Gain on disposal of King Huge Group	出售君凱企業集團之收益	189
		47,300
Total consideration – satisfied by cash	總代價 – 以現金支付	47,300
Net cash inflow arising from disposal of King Huge Group	出售君凱企業集團時產生之現金流入淨額	
Consideration received	已收代價	47,300
Direct expenses	直接開支	(366)
		46,934

Note: Investment properties which was classified as held for sale as at 31 December 2021 have a historical cost of HK\$23,495,000 and aggregated fair value gain HK\$23,205,000 up to the date of disposal.

附註：於二零二一年十二月三十一日分類為待售之投資物業之歷史成本為港幣23,495,000元，截至出售日期之公平值收益總額為港幣23,205,000元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

38. Disposal of subsidiaries (Continued)**Disposal of subsidiaries during year ended 31 December 2022 (Continued)**

- (b) On 19 October 2022, the Group entered into an agreement to disposal of the entire equity interest in a wholly-owned subsidiary, namely Granday Properties Limited ("Granday Properties"), to an independent third party at an aggregate consideration of HK\$48,000,000. The disposal of Granday Properties was completed on 4 November 2022. The net assets of Granday Properties at the date of disposal were as follows:

		HK\$'000 港幣千元
Net assets disposed of	出售之淨資產	
Investment property	投資物業	48,300
Amounts due to fellow subsidiaries	應付同系附屬公司款項	(8,125)
		40,175
Loan assignment	貸款轉讓	8,125
Direct expenses in relation to disposal of Granday Properties	有關出售廣日置業之直接開支	677
Loss on disposal of Granday Properties	出售廣日置業之虧損	(977)
		48,000
Total consideration	總代價	
— satisfied by cash	— 以現金支付	48,000
Net cash inflow arising from disposal of Granday Properties	出售廣日置業時產生之現金流入淨額	
Consideration received	已收代價	48,000
Direct expenses	直接開支	(677)
		47,323

38. 出售附屬公司(續)**於截至二零二二年十二月三十一日止年度出售附屬公司(續)**

- (b) 於二零二二年十月十九日，本集團訂立協議向一名獨立第三方出售全資附屬公司廣日置業有限公司(「廣日置業」)之全部股權，總代價為港幣48,000,000元。廣日置業之出售已於二零二二年十一月四日完成。廣日置業於出售日期之淨資產如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

38. Disposal of subsidiaries (Continued)**Disposal of subsidiaries during year ended 31 December 2021**

During the year ended 31 December 2021, the Group had disposed 9 subsidiaries to independent third parties at aggregate consideration of HK\$180,905,000, direct expenses in relation to the disposals of HK\$10,515,000 and resulted in gain of disposal of HK\$1,864,000. The following detailed the key disposals of subsidiaries during the year:

- (c) On 12 November 2020, the Group entered into an agreement to dispose of the entire equity interest in a wholly-owned subsidiary, namely Well Huge Corporation Limited (“Well Huge”), to an independent third party at an aggregate consideration of HK\$13,333,000. The disposal of Well Huge was completed on 4 January 2021. The net assets of Well Huge at the date of disposal were as follows:

38. 出售附屬公司(續)**於截至二零二一年十二月三十一日止年度出售附屬公司**

截至二零二一年十二月三十一日止年度，本集團向獨立第三方出售9間附屬公司，總代價為港幣180,905,000元，有關出售之直接開支為港幣10,515,000元，帶來出售收益港幣1,864,000元。以下詳列年內出售之主要附屬公司：

- (c) 於二零二零年十一月十二日，本集團訂立協議向一名獨立第三方出售全資附屬公司益泰興業有限公司(「益泰」)之全部股權，總代價為港幣13,333,000元。益泰之出售已於二零二一年一月四日完成。益泰於出售日期之淨資產如下：

		HK\$'000 港幣千元
Net assets disposed of	出售之淨資產	
Investment properties classified as assets classified as held for sale	分類為待售之資產之投資物業	13,333
Amounts due to fellow subsidiaries	應付同系附屬公司款項	(893)
		12,440
Loan assignment	貸款轉讓	893
Direct expenses in relation to disposal of Well Huge	有關出售益泰之直接開支	1,161
Loss on disposal of Well Huge	出售益泰之虧損	(1,161)
		13,333
Total consideration	總代價	
— satisfied by cash	— 以現金支付	13,333
Net cash inflow arising from disposal of Well Huge	出售益泰時產生之現金流入淨額	
Consideration received	已收代價	13,333
Direct expenses	直接開支	(1,161)
		12,172

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

38. Disposal of subsidiaries (Continued)**Disposal of subsidiaries during year ended 31 December 2021 (Continued)**

- (d) On 16 October 2020, the Group entered into an agreement to dispose of the entire equity interest in a wholly-owned subsidiary, namely Easy Loyal International Limited ("Easy Loyal"), to an independent third party at an aggregate consideration of HK\$16,268,000. The disposal of Easy Loyal was completed on 10 February 2021. The net assets of Easy Loyal at the date of disposal were as follows:

38. 出售附屬公司(續)**於截至二零二一年十二月三十一日止年度出售附屬公司(續)**

- (d) 於二零二零年十月十六日，本集團訂立協議向一名獨立第三方出售全資附屬公司順來國際有限公司(「順來」)之全部股權，總代價為港幣16,268,000元。順來之出售已於二零二一年二月十日完成。順來於出售日期之淨資產如下：

		HK\$'000 港幣千元
Net assets disposed of	出售之淨資產	
Investment properties classified as assets classified as held for sale	分類為待售之資產之投資物業	16,268
Amounts due to fellow subsidiaries	應付同系附屬公司款項	(1,146)
		15,122
Loan assignment	貸款轉讓	1,146
Direct expenses in relation to disposal of Easy Loyal	有關出售順來之直接開支	1,751
Loss on disposal of Easy Loyal	出售順來之虧損	(1,751)
		16,268
Total consideration	總代價	
— satisfied by cash	— 以現金支付	16,268
Net cash inflow arising from disposal of Easy Loyal	出售順來時產生之現金流入淨額	
Consideration received	已收代價	16,268
Direct expenses	直接開支	(1,751)
		14,517

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

38. Disposal of subsidiaries (Continued)**Disposal of subsidiaries during year ended 31 December 2021 (Continued)**

- (e) On 19 November 2020, the Group entered into an agreement to dispose of the entire equity interest in a wholly-owned subsidiary, namely Manage International Limited ("Manage International"), to an independent third party at an aggregate consideration of HK\$17,098,000. The disposal of Manage International was completed on 19 February 2021. The net assets of Manage International at the date of disposal were as follows:

38. 出售附屬公司(續)**於截至二零二一年十二月三十一日止年度出售附屬公司(續)**

- (e) 於二零二零年十一月十九日，本集團訂立協議向一名獨立第三方出售全資附屬公司管理國際有限公司(「管理國際」)之全部股權，總代價為港幣17,098,000元。管理國際之出售已於二零二一年二月十九日完成。管理國際於出售日期之淨資產如下：

		HK\$'000 港幣千元
Net assets disposed of	出售之淨資產	
Investment properties classified as assets classified as held for sale	分類為待售之資產之投資物業	17,098
Amounts due to fellow subsidiaries	應付同系附屬公司款項	(1,118)
		15,980
Loan assignment	貸款轉讓	1,118
Direct expenses in relation to disposal of Manage International	有關出售管理國際之直接開支	1,463
Loss on disposal of Manage International	出售管理國際之虧損	(1,463)
		17,098
Total consideration	總代價	
— satisfied by cash	— 以現金支付	17,098
Net cash inflow arising from disposal of Manage International	出售管理國際時產生之現金流入淨額	
Consideration received	已收代價	17,098
Direct expenses	直接開支	(1,463)
		15,635

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

38. Disposal of subsidiaries (Continued)**Disposal of subsidiaries during year ended 31 December 2021 (Continued)**

- (f) On 19 November 2020, the Group entered into an agreement to dispose of the entire equity interest in a wholly-owned subsidiary, namely Fast Rich Enterprise Limited ("Fast Rich"), to an independent third party at an aggregate consideration of HK\$17,088,000. The disposal of Fast Rich was completed on 19 February 2021. The net assets of Fast Rich at the date of disposal were as follows:

38. 出售附屬公司(續)**於截至二零二一年十二月三十一日止年度出售附屬公司(續)**

- (f) 於二零二零年十一月十九日，本集團訂立協議向一名獨立第三方出售全資附屬公司捷富企業有限公司(「捷富」)之全部股權，總代價為港幣17,088,000元。捷富之出售已於二零二一年二月十九日完成。捷富於出售日期之淨資產如下：

		HK\$'000 港幣千元
Net assets disposed of	出售之淨資產	
Investment properties classified as assets classified as held for sale	分類為待售之資產之投資物業	17,088
Amounts due to fellow subsidiaries	應付同系附屬公司款項	(1,399)
		15,689
Loan assignment	貸款轉讓	1,399
Direct expenses in relation to disposal of Fast Rich	有關出售捷富之直接開支	1,462
Loss on disposal of Fast Rich	出售捷富之虧損	(1,462)
		17,088
Total consideration	總代價	
— satisfied by cash	— 以現金支付	17,088
Net cash inflow arising from disposal of Fast Rich	出售捷富時產生之現金流入淨額	
Consideration received	已收代價	17,088
Direct expenses	直接開支	(1,462)
		15,626

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

38. Disposal of subsidiaries (Continued)**Disposal of subsidiaries during year ended 31 December 2021 (Continued)**

- (g) On 28 April 2021, Able Best International Investment Limited (“Able Best”) (a wholly-owned subsidiary of the Company) entered into a share exchange agreement (the “Share Exchange Agreement”) with inter alia Mr. Tang Shing Bor (“the Deceased”), pursuant to which (i) Able Best conditionally agreed to acquire the entire issued share capital of and the shareholder’s loan owing by Mainway Holdings Limited (“Mainway Holdings”) at the consideration of HK\$135 million, subject to adjustments and (ii) Able Best conditionally agreed to sell and transfer the entire issued share capital of and the shareholder’s loan owing by Year Glory Limited (“Year Glory”) to a company beneficially owned by the Deceased at the consideration of HK\$70 million, subject to adjustments. Mainway Holdings was the owner of a number of industrial property units located in Kwai Chung, New Territories, Hong Kong (the “Properties”) while Year Glory was the owner of a number of residential property units in Kowloon City, Kowloon, Hong Kong. The Deceased passed away before the agreed completion date of the Share Exchange Agreement.

On 24 August 2021, Able Best, the joint administrators of the estate of the Deceased (the “Joint Administrators”) and others entered into a termination deed to terminate the Share Exchange Agreement. On the same date and in lieu of the Sale Exchange Agreement, Master Green Limited (a wholly-owned subsidiary of the Company) entered into a property sale and purchase agreement with Mainway Holdings to acquire the Properties from it at the consideration of HK\$130 million while Able Best and other parties entered into a share sale and purchase agreement to sell and transfer the entire issued share capital of and the shareholder’s loan owing by Year Glory at the consideration of HK\$70 million (the “Disposal”), subject to adjustments, to entity nominated by the Joint Administrators.

38. 出售附屬公司(續)**於截至二零二一年十二月三十一日止年度出售附屬公司(續)**

- (g) 於二零二一年四月二十八日，本公司之全資附屬公司 Able Best International Investment Limited (「Able Best」) 與(其中包括)鄧成波先生(「已故者」)訂立股份交換協議(「股份交換協議」)，據此，(i) Able Best 有條件同意收購萬利威集團有限公司(「萬利威」)之全部已發行股本及所欠負之股東貸款，代價為港幣135,000,000元(可予調整)；及(ii) Able Best 有條件同意向已故者實益擁有之公司出售並轉讓元威有限公司(「元威」)之全部已發行股本及所欠負之股東貸款，代價為港幣70,000,000元(可予調整)。萬利威擁有多個位於香港新界葵涌之工業物業單位(「該等物業」)，元威擁有多個位於香港九龍九龍城之住宅物業單位。已故者於股份交換協議之協定完成日期之前去世。

於二零二一年八月二十四日，Able Best、已故者遺產之共同管理人(「共同管理人」)及其他方訂立終止契據，以終止股份交換協議。於同日及作為股份交換協議之替代，騰翠有限公司(本公司之全資附屬公司)與萬利威訂立物業買賣協議，按代價港幣130,000,000元向萬利威收購該等物業；Able Best及其他方亦同時訂立股份買賣協議，以按代價港幣70,000,000元(可予調整)向共同管理人指定之實體出售及轉讓元威之全部已發行股本及所欠負之股東貸款(「出售事項」)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

38. Disposal of subsidiaries (Continued)**Disposal of subsidiaries during year ended 31 December 2021 (Continued)**

(g) (Continued)

Completion of the purchase of the Properties and the Disposal took place on 28 September 2021.

Details of above transactions are disclosed in the Company's announcements dated on 28 April 2021, 20 May 2021, 5 July 2021, 9 August 2021, 20 August 2021, 24 August 2021 and 28 September 2021.

The net assets of Year Glory at the date of disposal were as follows:

38. 出售附屬公司(續)**於截至二零二一年十二月三十一日止年度出售附屬公司(續)**

(g) (續)

購買該等物業及出售事項已於二零二一年九月二十八日完成。

上述交易之詳情載於本公司日期為二零二一年四月二十八日、二零二一年五月二十日、二零二一年七月五日、二零二一年八月九日、二零二一年八月二十日、二零二一年八月二十四日及二零二一年九月二十八日之公告內。

元威於出售日期之淨資產如下：

		HK\$'000 港幣千元
Net assets disposed of	出售之淨資產	
Investment properties	投資物業	66,640
Deferred tax	遞延稅項	(970)
Amounts due to fellow subsidiaries	應付同系附屬公司款項	(46,769)
		18,901
Loan assignment	貸款轉讓	46,769
Direct expenses in relation to disposal of Year Glory	有關出售元威之直接開支	1,424
Gain on disposal of Year Glory	出售元威之收益	2,906
		70,000
Total consideration	總代價	
— satisfied by cash	— 以現金支付	70,000
Net cash inflow arising from disposal of Year Glory	出售元威時產生之現金流入淨額	
Consideration received	已收代價	70,000
Direct expenses	直接開支	(1,424)
		68,576

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

38. Disposal of subsidiaries (Continued)**Disposal of subsidiaries during year ended 31 December 2021 (Continued)**

- (h) On 25 May 2021, the Group entered into an agreement to dispose of the entire equity interest in a wholly-owned subsidiary, namely Famous Point Enterprise Limited (“Famous Point”), to an independent third party at an aggregate consideration of HK\$17,488,000. The disposal of Famous Point was completed on 23 August 2021. The net assets of Famous Point at the date of disposal were as follows:

38. 出售附屬公司(續)**於截至二零二一年十二月三十一日止年度出售附屬公司(續)**

- (h) 於二零二一年五月二十五日，本集團訂立協議向一名獨立第三方出售全資附屬公司向榮企業有限公司(「向榮」)之全部股權，總代價為港幣17,488,000元。向榮之出售已於二零二一年八月二十三日完成。向榮於出售日期之淨資產如下：

		HK\$'000 港幣千元
Net assets disposed of	出售之淨資產	
Investment property	投資物業	13,397
Amounts due to fellow subsidiaries	應付同系附屬公司款項	(1,017)
		12,380
Loan assignment	貸款轉讓	1,017
Direct expenses in relation to disposal of Famous Point	有關出售向榮之直接開支	95
Gain on disposal of Famous Point	出售向榮之收益	3,996
		17,488
Total consideration	總代價	
— satisfied by cash	— 以現金支付	17,488
Net cash inflow arising from disposal of Famous Point	出售向榮時產生之現金流入淨額	
Consideration received	已收代價	17,488
Direct expenses	直接開支	(95)
		17,393

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

38. Disposal of subsidiaries (Continued)**Disposal of subsidiaries during year ended 31 December 2021 (Continued)**

- (i) On 24 June 2021, the Group entered into an agreement to dispose of the entire equity interest in a wholly-owned subsidiary, namely Grand Profit Creation Limited (“Grand Profit”), to an independent third party at an aggregate consideration of HK\$17,800,000. The disposal of Grand Profit was completed on 30 July 2021. The net assets of Grand Profit at the date of disposal were as follows:

38. 出售附屬公司(續)**於截至二零二一年十二月三十一日止年度出售附屬公司(續)**

- (i) 於二零二一年六月二十四日，本集團訂立協議向一名獨立第三方出售全資附屬公司浩利創建有限公司(「浩利」)之全部股權，總代價為港幣17,800,000元。浩利之出售已於二零二一年七月三十日完成。浩利於出售日期之淨資產如下：

		HK\$'000 港幣千元
Net assets disposed of	出售之淨資產	
Investment property	投資物業	16,273
Amounts due to fellow subsidiaries	應付同系附屬公司款項	(1,239)
		17,804
Loan assignment	貸款轉讓	1,239
Direct expenses in relation to disposal of Grand Profit	有關出售浩利之直接開支	2,118
Loss on disposal of Grand Profit	出售浩利之虧損	(591)
		17,800
Total consideration	總代價	
— satisfied by cash	— 以現金支付	17,800
Net cash inflow arising from disposal of Grand Profit	出售浩利時產生之 現金流入淨額	
Consideration received	已收代價	17,800
Direct expenses	直接開支	(2,118)
		15,682

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

38. Disposal of subsidiaries (Continued)**Disposal of subsidiaries during year ended 31 December 2021 (Continued)**

- (j) On 1 September 2021, the Group entered into an agreement to dispose of the entire equity interest in a wholly-owned subsidiary, namely Wealth Easy Corporation Limited (“Wealth Easy”), to an independent third party at an aggregate consideration of HK\$11,750,000. The disposal of Wealth Easy was completed on 29 October 2021. The net assets of Wealth Easy at the date of disposal were as follows:

38. 出售附屬公司(續)**於截至二零二一年十二月三十一日止年度出售附屬公司(續)**

- (j) 於二零二一年九月一日，本集團訂立協議向一名獨立第三方出售全資附屬公司順康興業有限公司(「順康」)之全部股權，總代價為港幣11,750,000元。順康之出售已於二零二一年十月二十九日完成。順康於出售日期之淨資產如下：

		HK\$'000 港幣千元
Net assets disposed of	出售之淨資產	
Investment property	投資物業	9,400
Amounts due to fellow subsidiaries	應付同系附屬公司款項	(985)
		8,415
Loan assignment	貸款轉讓	985
Direct expenses in relation to disposal of Wealth Easy	有關出售順康之直接開支	1,034
Gain on disposal of Wealth Easy	出售順康之收益	1,316
		11,750
Total consideration	總代價	
— satisfied by cash	— 以現金支付	11,750
Net cash inflow arising from disposal of Wealth Easy	出售順康時產生之 現金流入淨額	
Consideration received	已收代價	11,750
Direct expenses	直接開支	(1,034)
		10,716

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

39. Financial Instruments

39.1 Summary of Financial Assets and Liabilities by Category

The carrying amounts of the Group's financial assets and liabilities as recognised at the reporting dates are categorised as follows:

39. 財務工具

39.1 按類別劃分之財務資產及負債概要

本集團之財務資產及負債於報告日期確認之賬面值分類如下：

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Financial assets	財務資產		
<i>Financial assets at amortised cost</i>	<i>按攤銷成本列賬之財務資產</i>		
— Trade receivables, net	— 貿易應收款項淨額	46,565	30,039
— Other receivables and deposits, net	— 其他應收款項及訂金淨額	24,052	20,570
— Loan receivables	— 應收貸款	9,810	21,720
— Restricted bank deposits	— 受限制銀行存款	—	16,110
— Short-term bank deposits	— 短期銀行存款	272,400	251,181
— Cash and cash equivalents	— 現金及現金等價物	1,122,544	885,358
Financial assets at FVTPL	按公平值計入損益之財務資產	38,884	2,815
Financial assets at FVTOCI	按公平值計入其他全面收入之財務資產	39,656	28,605
		1,553,911	1,256,398
Financial liabilities	財務負債		
<i>At amortised cost</i>	<i>按攤銷成本</i>		
— Trade payables	— 貿易應付款項	(18,466)	(17,405)
— Accrued expenses and other payables	— 應計費用及其他應付款項	(477,156)	(501,856)
— Dividend payable	— 應付股息	(14,107)	—
— Borrowings, secured	— 借貸，有抵押	(1,774,527)	(1,871,501)
		(2,284,256)	(2,390,762)

The carrying amounts of the Group's financial assets and liabilities carried at amortised cost are not materially different from their fair values as at reporting date.

於報告日期，本集團按攤銷成本列賬之財務資產及負債之賬面值與其公平值並無重大差異。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

39. Financial Instruments (Continued)

39.2 Financial Risk Management Objectives and Policies

The Group is exposed to credit risk, liquidity risk and market risk (foreign currency risk, interest rate risk and other price risk) in the normal course of business. However, the Directors meet periodically to analyse and formulate measures to manage the Group's exposure to the market risk.

Generally, the Group introduces conservative strategies on its risk management. As the Group's exposure to the market risk is kept to a minimum level, the Group has not used any derivatives and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The most significant financial risks to which the Group is exposed to are described below.

(a) Market risk

(i) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to cash flow interest rate risk on its variable-rate interest bearing borrowings, loan receivables, restricted bank deposits and cash and cash equivalents. The Group is also exposed to fair value interest rate risk on fixed-rate short-term bank deposits. The Group currently does not have an interest rate hedging policy. However, the Group closely monitors its loan portfolio and compares the interest rates under loan agreements with existing banks against new offers on borrowing rates from different banks in the loan re-financing and negotiation process.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR arising from the Group's variable interest rate instruments.

39. 財務工具(續)

39.2 財務風險管理目標及政策

本集團於日常業務承受信貸風險、流動資金風險及市場風險(外幣風險、利率風險及其他價格風險)。然而，董事定期召開會議分析及制定措施以管理本集團所涉市場風險。

一般而言，本集團就其風險管理引入保守策略。由於本集團所涉市場風險維持於最低水平，故本集團並無採用任何衍生工具及其他工具作對沖之用。本集團並無持有或發行衍生財務工具作買賣用途。本集團所承受之最重大財務風險載列如下。

(a) 市場風險

(i) 利率風險

利率風險與財務工具之公平值或現金流量因市場利率變動而出現波動之風險有關。本集團因浮息計息借貸、應收貸款、受限制銀行存款以及現金及現金等價物而面對現金流量利率風險。本集團亦就定息短期銀行存款而面對公平值利率風險。本集團現時並無利率對沖政策。然而，本集團密切監察其貸款組合，並在貸款再融資及磋商過程中，將現有銀行所訂立貸款協議之融資利率與不同銀行提供之新造借貸利率作出比較。

本集團之現金流量利率風險主要集中於因本集團浮動利率工具產生之香港同業拆息波動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

39. Financial Instruments (Continued)**39.2 Financial Risk Management Objectives and Policies (Continued)****(a) Market risk (Continued)***(i) Interest rate risk (Continued)*

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (“IBORs”) with alternative nearly risk-free rates. Details of the impacts on the Group’s risk management strategy arising from the interest rate benchmark reform and the progress towards implementation of alternative benchmark interest rates are set out under “interest rate benchmark reform” in this note.

The policies to manage interest rate risk have been followed by the Group since prior year are considered to be effective.

Interest rate sensitivity analysis

The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the reporting date and had been applied to variable-rate financial instruments at that date. 25 basis points increase or decrease represents management’s assessment of a reasonably possible change in interest rates. The analysis is performed on the same basis for the year ended 31 December 2021.

The management considered that the Group’s exposure to future cash flow risk on variable-rate cash and cash equivalents, restricted bank deposits and bank deposits at escrow account as a result of the changes of market interest rate is insignificant and thus they are not included in the sensitivity analysis.

39. 財務工具(續)**39.2 財務風險管理目標及政策(續)****(a) 市場風險(續)***(i) 利率風險(續)*

主要利率基準之根本改革正全球進行，包括以接近零風險利率替代部分銀行同業拆息(「銀行同業拆息」)。有關利率基準改革對本集團風險管理策略產生之影響及備用基準利率之實施進度，詳情載於本附註的「利率基準改革」。

本集團自去年起已依循管理利率風險之政策，且有關政策被視為有效。

利率敏感度分析

敏感度分析乃假設利率於報告日期產生變動而釐定，並應用於該日之浮動利率財務工具。25個基點之增減指管理層對利率之合理可能變動之評估。於截至二零二一年十二月三十一日止年度已以相同基準作出分析。

管理層認為，本集團未來因市場利率變動而就浮息現金及現金等價物、受限制銀行存款及於託管賬戶之銀行存款面對之現金流量風險並不重大，因此並未包括在敏感度分析內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

39. Financial Instruments (Continued)

39.2 Financial Risk Management Objectives and Policies (Continued)

(a) Market risk (Continued)

(i) Interest rate risk (Continued)

Interest rate sensitivity analysis (Continued)

As at 31 December 2022, it is estimated that a general increase of 25 basis points in interest rates, with all other variable held constant, would increase the Group's loss after tax and decrease the retained profits by approximately HK\$3,684,000 (2021: increase the Group's loss after tax and decrease the retained profits by approximately HK\$3,861,000). There is no impact on other components of consolidated equity in response to the general increase in interest rates. A decrease of 25 basis points in interest rate would have had the equal but opposite effect on the above financial instruments to the amounts shown above, on the basis that all other variables remain constant. The sensitivity results are mainly attributable to the Group's exposure to interest rates on its variable-rate loan receivables and borrowings.

(ii) Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group mainly operates and invests in Hong Kong and the Mainland China. Despite the Group has certain financial assets at FVTOCI denominated in US Dollars ("US\$"), no any significant movements in the HK\$/US\$ exchange rate is expected as HK\$ is pegged to US\$. No foreign currency risk has been identified for other financial instruments as they were denominated in the same currency as the functional currencies of the group entities to which these transactions relate.

39. 財務工具(續)

39.2 財務風險管理目標及政策(續)

(a) 市場風險(續)

(i) 利率風險(續)

利率敏感度分析(續)

於二零二二年十二月三十一日，在所有其他可變數保持不變之情況下，估計利率整體增加25個基點，將增加本集團除稅後虧損及減少保留溢利約港幣3,684,000元(二零二一年：增加本集團除稅後虧損及減少保留溢利約港幣3,861,000元)。利率整體增加對綜合權益之其他組成部分並無影響。假設所有其他可變數保持不變，利率減少25個基點將對上述財務工具造成相同金額但相反之影響。敏感度分析主要歸因於本集團就其浮息應收貸款及借貸而面對之利率風險。

(ii) 外幣風險

外幣風險指由於匯率變動導致財務工具之公平值或未來現金流量波動之風險。本集團主要於香港及中國內地營運及投資。儘管本集團有若干按公平值計入其他全面收入之財務資產以美金(「美金」)計值，但由於港幣與美金掛鈎，因此預期港幣／美金匯率不會有任何重大變動。由於其他財務工具之貨幣單位與有關交易之集團實體之功能貨幣相同，故並無識別外幣風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

39. Financial Instruments (Continued)**39.2 Financial Risk Management Objectives and Policies (Continued)****(a) Market risk (Continued)***(iii) Other price risk*

The Group is exposed to other price risk arising from changes in fair value of structure bank deposits and fund investments which carried at FVTPL and FVTOCI respectively.

No sensitivity analysis on other price risk is presented for the financial assets at FVTPL and FVTOCI as the Directors consider a reasonable possible change to the fair value of the financial assets at FVTPL and FVTOCI will not have a significant effect to the Group's profit or loss and other comprehensive income.

(b) Credit risk and impairment assessment

As at 31 December 2022 and 2021, the maximum exposure to credit risk, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Group arising from the carrying amount of respective recognised financial assets as stated in the consolidated statement of financial position and the amount of financial guarantees disclosed in note 32.

Trade receivables

Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. The Group assesses the potential customer's credit quality at new customer acceptance. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 on trade receivables individually.

39. 財務工具(續)**39.2 財務風險管理目標及政策(續)****(a) 市場風險(續)***(iii) 其他價格風險*

本集團因分別按公平值計入損益或按公平值計入其他全面收入列賬之結構性銀行存款及基金投資之公平值變動而面對其他價格風險。

由於董事認為按公平值計入損益及按公平值計入其他全面收入之財務資產之公平值之合理可能變動不會對本集團損益及其他全面收入產生重大影響，因此並無就按公平值計入損益及按公平值計入其他全面收入之財務資產呈列其他價格風險之敏感度分析。

(b) 信貸風險及減值評估

於二零二二年及二零二一年十二月三十一日，最高信貸風險敞口、本集團因對手方無法履行責任而蒙受財務損失之最高信貸風險敞口、本集團因綜合財務狀況表所列各項已確認財務資產之賬面值而發出之財務擔保，以及財務擔保金額，於附註32披露。

貿易應收款項

管理層設有信貸政策，並持續監察此等信貸風險敞口。本集團會在接納新客戶時評估潛在客戶之信貸質素。本集團亦訂有其他監察程序，以確保採取跟進行動收回逾期債務。此外，在應用香港財務報告準則第9號後，本集團根據預期信貸虧損模式對貿易應收款項個別進行減值評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

39. Financial Instruments (Continued)

39.2 Financial Risk Management Objectives and Policies (Continued)

(b) Credit risk and impairment assessment (Continued)

Trade receivables (Continued)

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Review of past due receivables is conducted by the Group bi-weekly. Normally, other than those property leasing rental receivables which are secured by rental deposits, the Group does not obtain collateral from other customers.

Loan receivables

In order to minimise the credit risk, the Directors have delegated a team responsible for determination of credit limits, interest rate offered to customers and collaterals received. Monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under 12-month ECL model on balances individually.

The Directors estimate the estimated loss rates of loan receivables (other than the Unsecured Loan) based on historical observed default rates over the expected life of the debtors as well as the fair value of the collateral pledged by the customers to the loan receivables. Based on assessment by the Directors, aside from those loan receivables credit-impaired in prior year, the loss given default is low in view of the fair value of the collaterals and the Directors considers the 12-month ECL for other loan receivables is insignificant as at 31 December 2022 and 2021.

39. 財務工具(續)

39.2 財務風險管理目標及政策(續)

(b) 信貸風險及減值評估(續)

貿易應收款項(續)

所有要求超過若干信貸金額之客戶須進行個別信貸評估。該等評估集中於客戶於到期時繳款之過往歷史紀錄及目前之繳款能力，並考慮客戶之特有資料，以及客戶經營之有關經濟環境。本集團會隔週審閱逾期應收款項。一般而言，除以租金按金抵押之該等物業租賃應收租金外，本集團不會向其他客戶收取抵押品。

應收貸款

為盡量減低信貸風險，董事已指派一支團隊，負責釐定信貸額度、提供予客戶之利率以及所收取之抵押品。另設有監察程序，以確保採取跟進行動收回逾期債務。此外，本集團根據12個月預期信貸虧損模式對結餘個別進行減值評估。

董事根據債務人於預計年期內之過往已觀察違約率以及客戶就應收貸款質押之抵押品之公平值，估計應收貸款(除無抵押貸款外)之估計虧損率。根據董事進行之評估，除過往年度出現信貸減值之該等應收貸款外，基於抵押品之公平值，違約虧損率屬偏低，而於二零二二年及二零二一年十二月三十一日董事認為其他應收貸款之12個月預期信貸虧損並不重大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

39. Financial Instruments (Continued)**39.2 Financial Risk Management Objectives and Policies (Continued)****(b) Credit risk and impairment assessment (Continued)***Other receivables and deposits*

Management of the Group performs individual credit evaluations on the recoverability of other receivables and deposits over a certain amount and collective assessment on the recoverability of remaining other receivables and deposits based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information. The management of the Group believes that there is no material credit risk inherent in the Group's outstanding balance of other receivables and deposits.

Restricted bank deposits, short-term bank deposits and cash and cash equivalents

The credit risk on restricted bank deposits, short-term bank deposits and cash and cash equivalents of the Group is limited because the counterparties are banks and financial institutions with high credit ratings assigned by international credit-rating agencies and no history of default in the past. No loss allowance provision for restricted bank deposits, short-term bank deposits and cash and cash equivalents was recognised upon application of HKFRS 9. The Group has limited exposure to any single financial institution.

Other than structured bank deposits with a bank, the Group does not have any significant concentration of credit risk.

39. 財務工具(續)**39.2 財務風險管理目標及政策(續)****(b) 信貸風險及減值評估(續)***其他應收款項及訂金*

本集團管理層會根據歷史清償記錄、過往經驗以及合理且可作支持之可得前瞻資料，對超出一定金額之其他應收款項及訂金之可收回程度進行個別信貸評估，並對餘下其他應收款項及訂金之可收回程度進行集體評估。本集團管理層相信，本集團其他應收款項及訂金之未清償餘額並無重大的固有信貸風險。

受限制銀行存款、短期銀行存款以及現金及現金等價物

本集團受限制銀行存款、短期銀行存款以及現金及現金等價物之信貸風險有限，原因是對手方均為獲國際信貸評級機構給予高信貸評級之銀行及金融機構，過去並無違約記錄。應用香港財務報告準則第9號後，概無就受限制銀行存款、短期銀行存款以及現金及現金等價物確認虧損撥備。本集團對任何單一金融機構之敞口有限。

除存放於一間銀行之結構性銀行存款外，本集團並無重大之信貸集中風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

39. Financial Instruments (Continued)**39.2 Financial Risk Management Objectives and Policies (Continued)****(b) Credit risk and impairment assessment (Continued)**

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating 內部信貸評級	Description 描述	Trade receivables 貿易應收款項	Other financial assets/other items 其他財務資產／其他項目
Low risk 低風險	The counterparty has a low risk default and does not have any past-due amounts 對手方之違約風險偏低，並無任何逾期款項	Lifetime ECL — not credit-impaired 使用期預期信貸虧損 — 無信貸減值	12-months ECL 12個月預期信貸虧損
Watch list 觀察名單	Debtor frequently repays after due dates but usually settle after due date 債務人經常在到期日後還款，但往往在到期日後清償	Lifetime ECL — not credit-impaired 使用期預期信貸虧損 — 無信貸減值	12-months ECL 12個月預期信貸虧損
Doubtful 呆賬	There have been significant increase in credit risk since initial recognition through information developed internally or external resources 透過內部產生或外部來源之資料，信貸風險自初步確認以來已顯著增加	Lifetime ECL — not credit-impaired 使用期預期信貸虧損 — 無信貸減值	Lifetime ECL — not credit-impaired 使用期預期信貸虧損 — 無信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示資產出現信貸減值	Lifetime ECL — credit-impaired 使用期預期信貸虧損 — 有信貸減值	Lifetime ECL — credit-impaired 使用期預期信貸虧損 — 有信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人陷入嚴重財務困難，且本集團並無實際可收回之期望	Amount is written off 撇銷款項	Amount is written off 撇銷款項

39. 財務工具(續)**39.2 財務風險管理目標及政策(續)****(b) 信貸風險及減值評估(續)**

本集團之內部信貸風險級別評估由以下類別組成：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

39. Financial Instruments (Continued)

39.2 Financial Risk Management Objectives and Policies (Continued)

(b) Credit risk and impairment assessment (Continued)

The tables below details the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

39. 財務工具(續)

39.2 財務風險管理目標及政策(續)

(b) 信貸風險及減值評估(續)

下表詳列本集團須接受預期信貸虧損評估之財務資產之信貸風險敞口：

		Notes 附註	External credit rating 外部信貸評級	Internal credit rating 內部信貸評級	12-month or lifetime ECL 12個月或使用期預期 信貸虧損	Gross carrying amount 賬面總值	
						2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Financial assets at amortised costs	按攤銷成本列賬之 財務資產						
Trade receivables	貿易應收款項	20	N/A 不適用	Note 3 附註3	Lifetime ECL 使用期預期信貸虧損	46,565	30,039
			N/A 不適用	Loss 虧損	Credit-impaired 有信貸減值	4,022	4,667
Loan receivables	應收貸款	20	N/A 不適用	Low risk 低風險	12-month ECL 12個月預期信貸虧損	9,810	21,720
			N/A 不適用	Loss 虧損	Credit-impaired 有信貸減值	141,776	142,023
Restricted bank deposits	受限制銀行存款	22	A3-A1	N/A 不適用	12-month ECL 12個月預期信貸虧損	—	8,514
			B1-Baa1	N/A 不適用	12-month ECL 12個月預期信貸虧損	—	7,596
						—	16,110
Short-term bank deposits	短期銀行存款	22	Aa3-Aa1	N/A 不適用	12-month ECL 12個月預期信貸虧損	30,000	—
			A3-A1	N/A 不適用	12-month ECL 12個月預期信貸虧損	242,400	251,181
						272,400	251,181
Cash and cash equivalents	現金及現金等價物	22	Aa3-Aa1	N/A 不適用	12-month ECL 12個月預期信貸虧損	371,916	54,827
			A3-A1	N/A 不適用	12-month ECL 12個月預期信貸虧損	296,880	449,743
			B1-Baa1	N/A 不適用	12-month ECL 12個月預期信貸虧損	453,748	380,788
						1,122,544	885,358
Other receivables and deposits	其他應收款項及訂金		N/A 不適用	Note 1 附註1	12-month ECL 12個月預期信貸虧損	24,052	20,570
Other items	其他項目						
Financial guarantee contracts (Note 2)	財務擔保合約 (附註2)	32	N/A 不適用	Low risk 低風險	12-month ECL 12個月預期信貸虧損	51,166	90,564

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

39. Financial Instruments (Continued)**39.2 Financial Risk Management Objectives and Policies (Continued)****(b) Credit risk and impairment assessment (Continued)**

Notes:

- For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

39. 財務工具(續)**39.2 財務風險管理目標及政策(續)****(b) 信貸風險及減值評估(續)**

附註：

- 為進行內部信貸風險管理，本集團運用逾期資料評估信貸風險自初步確認以來有否顯著增加。

		Past due 逾期	Not past due 無逾期	Total 總計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Other receivables and deposits	其他應收款項及訂金			
As at 31 December 2022	於二零二二年十二月三十一日	—	24,052	24,052
As at 31 December 2021	於二零二一年十二月三十一日	—	20,570	20,570

- For financial guarantee contracts, the gross carrying amount represents the maximum amount the Group has guaranteed under the respective contracts. The fair values of the purchasers' properties are higher than the Group's guaranteed amount to the banks, and thus the Directors considered the loss given default in the financial guarantee contracts is low and the 12-month ECL on financial guarantee contracts is insignificant.
- For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group assessed the ECL on trade receivables individually on each debtor.

- 就財務擔保合約而言，賬面總值指本集團根據有關合約擔保之最高金額。買家物業之公平值高於本集團向銀行作出之擔保額，因此董事認為財務擔保合約之違約虧損率偏低，而財務擔保合約之12個月預期信貸虧損並不重大。
- 就貿易應收款項而言，本集團應用香港財務報告準則第9號中之簡化方法，按使用期預期信貸虧損計量虧損撥備。本集團已就各債務人對貿易應收款項之預期信貸虧損進行個別評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

39. Financial Instruments (Continued)

39.2 Financial Risk Management Objectives and Policies (Continued)

(b) Credit risk and impairment assessment (Continued)

The estimated loss rate of each debtor is estimated based on historical observed default rates over the expected life of the debtors and adjusted for forward-looking information that is available without undue cost or effort.

In the opinion of the Directors, the lifetime ECL on trade receivables are considered insignificant.

The following table shows the movement in ECL that has been recognised for trade receivables and loan receivables.

39. 財務工具(續)

39.2 財務風險管理目標及政策(續)

(b) 信貸風險及減值評估(續)

各債務人之估計虧損率乃根據債務人於預計年期內之過往已觀察違約率作出估計，並就無需付出不必要成本或努力而可取得的前瞻性資料作出調整。

董事認為，貿易應收款項之使用期預期信貸虧損被視為並不重大。

下表列示就貿易應收款項及應收貸款確認之預期信貸虧損變動。

		ECL (credit-impaired) 預期信貸虧損(有信貸減值)			
		Loan receivables 應收貸款		Trade receivables 貿易應收款項	
		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元	2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
As at the beginning of the reporting period	於報告期初	142,023	142,423	4,667	5,072
Changes due to financial instruments recognised as at 1 January:	因於一月一日確認之財務工具而變動：				
— Impairment loss reversed	— 已撥回之減值虧損	(247)	(400)	(24)	(182)
— Write-offs	— 撇銷	—	—	(764)	(223)
New financial assets originated	產生新財務資產	—	—	143	—
As at the end of the reporting period	於報告期末	141,776	142,023	4,022	4,667

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

39. Financial Instruments (Continued)**39.2 Financial Risk Management Objectives and Policies (Continued)****(b) Credit risk and impairment assessment (Continued)**

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. The Group has taken legal action against the debtors to recover the amount due and none of the trade receivables that have been written off is subject to enforcement activities.

(c) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade payables, accrued expenses and other payables and borrowings, and also in respect of its cash flow management. The Group's objective is to ensure adequate funds to meet commitments associated with its financial liabilities. Cash flows are closely monitored on an ongoing basis. The Group will raise funds from the realisation of its assets if required. The Directors are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due in the foreseeable future.

39. 財務工具(續)**39.2 財務風險管理目標及政策(續)****(b) 信貸風險及減值評估(續)**

如有資料顯示債務人陷入嚴重財務困難且無實際可收回之期望(例如債務人已進行清盤或進入破產程序),或貿易應收款項已逾期超過兩年(以較早發生者為準),本集團則撇銷貿易應收款項。本集團已針對債務人採取法律行動,以追回到期款項,而已撇銷之貿易應收款項概無受制於執法活動。

(c) 流動資金風險

流動資金風險指本集團將無法履行與財務負債相關之責任之風險。本集團就結算貿易應付款項、應計費用及其他應付款項及借貸以及就其現金流量管理承受流動資金風險。本集團之目標為確保有足夠資金履行與其財務負債有關之承擔。現金流量持續受密切監察。如有需要,本集團將變現其資產以籌集資金。董事信納本集團於可見將來將能夠全數償還到期財務責任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

39. Financial Instruments (Continued)

39.2 Financial Risk Management Objectives and Policies (Continued)

(c) Liquidity risk (Continued)

The following tables detail the remaining contractual maturities at the reporting date of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay. Specifically, for term loans which contain a repayment on demand clause which can be exercised at the banks' sole discretion, the analysis shows the cash outflow based on the earliest time band in which the entity can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect.

39. 財務工具(續)

39.2 財務風險管理目標及政策(續)

(c) 流動資金風險(續)

下表詳列本集團之財務負債於報告日期之剩餘合約到期詳情，乃根據合約未折現現金流量(包括利用合約利率或(如為浮動利率)基於報告日期之當前利率計算之利息付款)及本集團可能須支付之最早日期計算。尤其是，就包含可按銀行全權酌情行使之按要求償還條款之有期貨款而言，該分析顯示倘貸款人援引其無條件權利立即催繳貸款，則實體可能須支付之最早時間範圍之現金流出。

		31 December 2022					
		Maturity analysis – Undiscounted cash flows					
		二零二二年十二月三十一日					
		到期情況分析 – 未折現現金流量					
		Weighted average interest rate % 加權平均利率 %	Carrying amount 賬面值 HK\$'000 港幣千元	Total contractual undiscounted cash flow 合約未折現金流量 總額 HK\$'000 港幣千元	Within 1 year or on demand	More than 1 year but less than 5 years	More than 5 Years
					HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Trade payables	貿易應付款項	N/A 不適用	18,466	18,466	18,466	–	–
Accrued expenses and other payables	應計費用及其他應付款項	N/A 不適用	340,168	340,168	340,168	–	–
Rental deposits received	已收租金按金	N/A 不適用	136,988	136,988	58,316	78,672	–
Bank loans	銀行貸款	2.10	1,774,527	1,870,323	125,032	1,745,291	–
Financial guarantee contracts	財務擔保合約	N/A 不適用	–	51,166	51,166	–	–
Lease liabilities	租賃負債	3.93	50,615	54,593	22,547	25,778	6,268
Dividend Payable	應付股息	N/A 不適用	14,107	14,107	14,107	–	–
			2,334,871	2,485,811	629,802	1,849,741	6,268

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

39. Financial Instruments (Continued)**39.2 Financial Risk Management Objectives and Policies (Continued)****(c) Liquidity risk (Continued)****39. 財務工具(續)****39.2 財務風險管理目標及政策(續)****(c) 流動資金風險(續)**

31 December 2021

Maturity analysis – Undiscounted cash flows

二零二一年十二月三十一日

到期情況分析 – 未折現現金流量

		Weighted average interest rate %	Carrying amount	Total		More than 1 year but less than 5 years	
				undiscounted cash flow	Within 1 year or on demand		
		加權 平均利率 %	賬面值 HK\$'000 港幣千元	合約未折現 現金流量 總額 HK\$'000 港幣千元	一年內或 於要求時 HK\$'000 港幣千元	一年以上 但五年以內 HK\$'000 港幣千元	
Trade payables	貿易應付款項	N/A不適用	17,405	17,405	17,405	–	
Accrued expenses and other payables	應計費用及其他應付款項	N/A不適用	345,203	345,203	345,203	–	
Rental deposits received	已收租金按金	N/A不適用	156,653	156,653	70,378	86,275	
Bank loans	銀行貸款	1.24	1,871,501	1,910,207	1,419,302	490,905	
Financial guarantee contracts	財務擔保合約	N/A不適用	–	90,564	90,564	–	
Lease liabilities	租賃負債	3.93	29,428	30,778	14,612	16,166	
			2,420,190	2,550,810	1,957,464	593,346	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

39. Financial Instruments (Continued)

Interest rate benchmark reform

As listed in note 26, the Group's HIBOR bank borrowings may be subject to the interest rate benchmark reform. The Group is closely monitoring the market and managing the transition to new benchmark interest rates, including announcements made by the relevant IBOR regulators.

HIBOR

While the Hong Kong Dollar Overnight Index Average ("HONIA") has been identified as an alternative to HIBOR, there is no plan to discontinue HIBOR. The multi-rate approach has been adopted in Hong Kong, whereby HIBOR and HONIA will co-exist.

Risks arising from the interest rate benchmark reform

The following are the key risks for the Group arising from the transition:

Interest rate related risks

For contracts which have not been transitioned to the relevant alternative benchmark rates and without detailed fallback clauses, if the bilateral negotiations with the Group's counterparties are not successfully concluded before the cessation of HIBOR, there are significant uncertainties with regard to the interest rate that would apply. This gives rise to additional interest rate risk that was not anticipated when the contracts were entered into.

There are fundamental differences between IBORs and the various alternative benchmark rates. IBORs are forward looking term rates published for a period (e.g. 3 months) at the beginning of that period and include an inter-bank credit spread, whereas alternative benchmark rates are typically risk-free overnight rates published at the end of the overnight period with no embedded credit spread. These differences will result in additional uncertainty regarding floating rate interest payments.

39. 財務工具(續)

利率基準改革

誠如附註26所列，本集團之香港同業拆息銀行借款或須進行利率基準改革。本集團正密切監察市況及管理新基準利率的過渡，包括相關銀行同業拆息監管機構所作出之公佈。

香港同業拆息

儘管港元隔夜平均指數(「港元隔夜平均指數」)已經被指定為香港同業拆息的備用參考利率，但現時並沒有停止發佈香港同業拆息的計劃。香港已採用多種利率並存方案，據此，香港同業拆息和港元隔夜平均指數將會共存。

利率基準改革產生之風險

本集團因有關過渡產生之主要風險如下：

利率相關風險

對於未過渡至相關備用基準利率且沒有詳細備用條款之合約，倘未能在香港同業拆息終止前成功與本集團對手方完成雙方磋商，將適用之利率則存在重大不確定性。這會導致在訂立合約時未有預期的額外利率風險出現。

銀行同業拆息與各項備用基準利率存在根本差異。銀行同業拆息為於期間開始時公佈的有關期間(例如3個月)前瞻性定期利率，包括銀行間信貸息差；備用基準利率一般為於隔夜期間結束時公佈的無風險隔夜利率，不包含信貸息差。這些差異會導致浮息付款出現額外不確定性。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

40. Reconciliation of Liabilities Relating to Financing Activities

The table below details changes in the Group's liabilities relating to financing activities, including both cash and non-cash changes which represents net debt as presented in Note 41. 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.

40. 與融資活動有關之負債對賬

下表詳列本集團與融資活動有關之負債變動，包括現金及非現金變動，即附註41呈列之淨債務。融資活動產生之負債乃過去或日後於本集團綜合現金流量表內分類為融資活動帶來之現金流量之現金流量。

		Amount due to shareholders	Amount due to minority interest	Lease liabilities	Borrowings	Total
		應付股東款項	權益款項	租賃負債	借貸	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
As at 1 January 2021	於二零二一年一月一日	—	—	17,413	1,851,998	1,869,411
Cash flow, net	現金流量淨額	(56,662)	—	(11,314)	(4,253)	(72,229)
Other non-cash changes:	其他非現金變動：	—	—	—	—	—
New leases entered	新增租賃	—	—	22,471	—	22,471
Finance costs recognised	已確認融資成本	—	—	858	23,756	24,614
Dividends declared	已宣派股息	56,662	—	—	—	56,662
As at 31 December 2021	於二零二一年十二月三十一日	—	—	29,428	1,871,501	1,900,929
Cash flow, net	現金流量淨額	(56,662)	(18,930)	(23,552)	(137,895)	(237,039)
Other non-cash changes:	其他非現金變動：	—	—	—	—	—
New leases entered	新增租賃	—	—	42,581	—	42,581
Finance costs recognised	已確認融資成本	—	—	2,158	40,921	43,079
Dividends declared	已宣派股息	56,662	18,930	—	—	75,592
As at 31 December 2022	於二零二二年十二月三十一日	—	—	50,615	1,774,527	1,825,142

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

41. Capital Risk Management

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for its shareholders and benefits for other stakeholders.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the current year.

The Group monitors capital on the basis of debt to equity ratio, which is net debt divided by total capital. Net debt is calculated as the sum of the Group's borrowings and lease liabilities less cash and cash equivalents and other bank deposits as shown in the consolidated statement of financial position. Total capital is calculated as total equity, as shown in the consolidated statement of financial position. The Group aims to maintain the debt to equity ratio at a manageable level.

41. 資本風險管理

本集團資本管理之主要目標為確保本集團持續經營之能力，以繼續為其股東提供回報及為其他持份者提供利益。

本集團鑑於經濟情況變動而管理資本架構，並對其作出調整。為維持或調整資本架構，本集團可調整向股東派發之股息、向股東發還資本或發行新股。於本年度內並無對目標、政策或程序作出變動。

本集團利用負債對權益比率基準（即淨債務除以總資本）監察資本。淨債務以綜合財務狀況表內本集團借貸及租賃負債之總和減現金及現金等價物及其他銀行存款計算。總資本以綜合財務狀況表所示之權益總額計算。本集團旨在維持負債對權益比率於可管理之水平。

		2022 二零二二年 HK\$'000 港幣千元	2021 二零二一年 HK\$'000 港幣千元
Borrowings	借貸	1,774,527	1,871,501
Lease liabilities	租賃負債	50,615	29,428
— Financial assets at FVTOCI	— 按公平值計入其他全面 收入之財務資產	(39,656)	(28,605)
— Financial assets at FVTPL	— 按公平值計入損益之財務 資產	(38,884)	(2,815)
— Restricted bank deposits	— 受限制銀行存款	—	(16,110)
— Short-term bank deposits	— 短期銀行存款	(272,400)	(251,181)
— Cash and cash equivalents	— 現金及現金等價物	(1,122,544)	(885,358)
Net debt	淨債務	351,658	716,860
Total equity	權益總額	19,175,634	19,541,700
Net debt to equity ratio	淨負債對權益比率	0.018:1	0.037:1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

42. Share-based Employee Compensation

The Company adopted a new share option scheme (the “2011 Share Option Scheme”) at the annual general meeting held on 19 May 2011 (the “2011 AGM”).

The principal terms of the 2011 Share Option Scheme are set out as follows:

Purpose of the 2011 Share Option Scheme

The purpose of this scheme is to encourage the participants to perform their best in achieving the goals of the Company and at the same time allow the participants to enjoy the results of the Company attained through their efforts and contributions.

Eligible Participants of the 2011 Share Option Scheme

Eligible participants of the 2011 Share Option Scheme includes (i) any full time employee and director (any existing or proposed executive or non-executive directors) of the Group or any member of the Group and any part-time employee with weekly working hours of 10 hours or above of the Group; (ii) any advisor, consultants or agent to the Group; any provider of goods and/or services to the Group; or any other person who, at the sole discretion of the Board, has contributed or may contribute to the Group; and (iii) any trustee of any trust (whether family or discretionary) whose beneficiaries or objects include any employee or business association of the Group.

Total number of securities issuable

The total number of shares which may be issued upon exercise of all share options to be granted under the 2011 Share Option Scheme and any other share option scheme of the Company shall not exceed 10% of the total number of shares in issue as at the adoption date of the 2011 Share Option Scheme provided that the share options lapsed will not be counted for the purpose of calculating such 10% limit.

At the 2011 AGM, the said 10% limit of number of shares available for issue was 25,091,413 shares.

42. 以股份為基礎之僱員報酬

本公司於二零一一年五月十九日舉行之股東週年大會(「二零一一年股東週年大會」)上採納新購股權計劃(「二零一一年購股權計劃」)。

二零一一年購股權計劃之主要條款載列如下：

二零一一年購股權計劃之目的

該計劃旨在鼓勵參與者竭誠達致本公司目標，同時讓參與者分享彼等致力為本公司作出貢獻之成果。

二零一一年購股權計劃之合資格參與者

二零一一年購股權計劃之合資格參與者包括(i)本集團或本集團任何成員公司之任何全職僱員及董事(任何現任或建議之執行或非執行董事)，以及本集團任何每週工時10小時或以上之兼職僱員；(ii)本集團任何顧問、專家顧問或代理、向本集團提供貨物及／或服務之任何供應商、或董事會全權酌情認為已經或可能對本集團作出貢獻之任何其他人士；及(iii)任何信託(家族或全權)之受託人，而該信託之受益人或對象包括本集團之任何僱員或業務聯繫人。

可發行證券總數

根據行使二零一一年購股權計劃及本公司任何其他購股權計劃將予授出之所有購股權而可予發行之股份總數，不得超過於採納二零一一年購股權計劃之日已發行股份總數之10%，但已失效之購股權將不計算在該10%上限以內。

於二零一一年股東週年大會上，上述10%上限可予發行之股份數目為25,091,413股股份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

42. Share-based Employee Compensation (Continued)

Total number of securities issuable (Continued)

Under the 2011 Share Option Scheme, the Company may obtain a fresh approval from its shareholder in general meeting to refresh the above mentioned 10% limit. In such event, the total number of shares in respect of which share options may be granted under the 2011 Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the total number of shares in issue as at the date of such approval provided that share options previously granted under the 2011 Share Option Scheme (including those outstanding, cancelled, lapsed or exercised share options) will not be counted for the purpose of calculating such 10% limit.

The maximum number of shares which may be issued upon exercise of all outstanding share option granted and yet to be granted under the 2011 Share Option Scheme and any other share option schemes of the Company shall not exceed 30% (or such other higher percentages as may be allowed under the Listing Rules) of the total number of shares in issue from time to time.

As at the date of this annual report, the total number of shares available for issue under the 2011 Share Option Scheme was 14,335,413 representing approximately 5.06% of the Company's shares in issue as at that date.

Maximum entitlement of each employee/participant

Unless separately approved by the shareholders of the Company at a general meeting with the particular Participant (as defined in the 2011 Share Option Scheme) and his or her associate (as defined under the Listing Rules) abstaining from voting, the total number of shares issued and to be issued upon exercise of the options granted to each Participant (including both exercised and outstanding options) in any 12 months period shall not exceed 1% of the total number of shares in issue.

42. 以股份為基礎之僱員報酬(續)

可發行證券總數(續)

根據二零一一年購股權計劃，本公司可在股東大會上獲得其股東更新批准以更新上述之10%上限。在該情況下，根據二零一一年購股權計劃及本公司任何其他購股權計劃可予授出之購股權而發行之股份總數，不得超過於該批准之日已發行股份總數之10%，但根據二零一一年購股權計劃過往已授出之購股權(包括該等尚未行使、已註銷、已失效或已行使之購股權)將不計算在該10%上限以內。

因行使根據二零一一年購股權計劃及本公司任何其他購股權計劃已授出及尚未授出之所有尚未行使購股權而可予發行之股份數目上限，不得超過不時已發行股份總數之30%(或上市規則准許之該等其他較高百分比)。

於本年報日期，根據二零一一年購股權計劃可予發行之股份總數為14,335,413股，佔於該日本公司已發行股份約5.06%。

各僱員／參與者之配額上限

除非經本公司股東在股東大會上另行批准而有關之參與者(定義見二零一一年購股權計劃)及其聯繫人(定義見上市規則)亦放棄在股東大會上投票外，行使授予各參與者之購股權(包括已行使及尚未行使之購股權)時所發行及將予發行之股份總數，於任何十二個月期間不得超過已發行股份總數之1%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

42. Share-based Employee Compensation (Continued)

Period to take up share options and minimum period to hold before exercise

Under the 2011 Share Option Scheme, the period which the shares must be taken up under a share option and the minimum period, if any, for which a share option must be held before it can be exercised are to be decided by the Directors upon granting the relevant share options. Details of such information (if any) relating to the outstanding share options are set out below.

Amount payable to take up share options and time to accept offer

Under the 2011 Share Option Scheme, an offer for the granting of share options shall be accepted within 21 days from the offer date and by way of payment of consideration of HK\$1.00.

Exercise price

Under the 2011 Share Option Scheme, the exercise price shall be a price determined by the board of directors and shall be at least the highest of:

- (i) the closing price of the shares quoted on the Stock Exchange on the offer date;
- (ii) a price being the average of the closing prices of the shares as quoted in the Stock Exchange for the 5 trading days immediately preceding the offer date; and
- (iii) the nominal value of the shares.

42. 以股份為基礎之僱員報酬(續)

認購購股權項下股份之時限及行使前之最短持有購股權時限

根據二零一一年購股權計劃，認購購股權項下股份之時限及行使購股權前必須持有購股權之最短時限(如有)，均由董事在授出有關之購股權時決定。有關尚未行使之購股權之該等資料(如有)之詳情載於下文。

認購購股權之應付款項及接納要約之時間

根據二零一一年購股權計劃，授出購股權之要約須在要約日起二十一天內以支付港幣1.00元代價之方式接納。

行使價

根據二零一一年購股權計劃，行使價應為董事會所釐定之價格，以至少為以下三項中最高者為準：

- (i) 股份於要約日在聯交所所報之收市價；
- (ii) 緊接要約日前五個交易日股份在聯交所所報之平均收市價；及
- (iii) 股份之面值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2022 截至二零二二年十二月三十一日止年度

42. Share-based Employee Compensation (Continued)

Life of the share option scheme

The 2011 Share Option Scheme has a life of 10 years from its adoption date (i.e. 19 May 2011).

On 3 January 2013 (the "Grant Date"), 5,196,000 share options (the "Share Options") to subscribe for up to a total of 5,196,000 ordinary shares of HK\$0.10 each of the Company were granted to certain eligible individuals, including executive directors, under 2011 Share Option Scheme. The exercise price of the Share Options is HK\$15.76 per share and the vesting schedule of the Share Options are as follows:

- (a) 50% of the options can be exercised at any time after first anniversary of the Grant Date;
- (b) 25% of the options can be exercised at any time after second anniversary of the Grant Date; and
- (c) The remaining 25% of the Options can be exercised at any time after third anniversary of the Grant Date.

The fair value of the Share Options granted during the year ended 31 December 2013 under 2011 Share Option Scheme determined at the Grant Date using Trinomial Option Pricing Model was HK\$23,610,000.

All Share Options were lapsed during the year ended 31 December 2017.

43. Comparative figures

The following comparative figures in consolidated statement of profit or loss and other comprehensive income have been reclassified to conform with the current year's presentation of the Group:

Reclassification of administrative expenses regarding the staff costs and other administrative cost in an amount of approximately HK\$32,531,000 to cost of sales to fairly present the nature of costs incurred.

In the opinion of the Board, the reclassification made to the comparative figures has insignificant impact on the Group's consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022.

42. 以股份為基礎之僱員報酬(續)

購股權計劃之有效期

二零一一年購股權計劃之有效期由採納日期(即二零一一年五月十九日)起計10年。

於二零一三年一月三日(「授出日期」)，本公司根據二零一一年購股權計劃，將5,196,000份購股權(「購股權」)授予若干合資格人士(包括執行董事)，可據此認購最多合共5,196,000股本公司每股面值港幣0.10元之普通股。購股權之行使價為每股港幣15.76元及購股權歸屬安排如下：

- (a) 50%購股權可於授出日期一週年後任何時間行使；
- (b) 25%購股權可於授出日期二週年後任何時間行使；及
- (c) 餘下25%購股權可於授出日期三週年後任何時間行使。

根據二零一一年購股權計劃，截至二零一三年十二月三十一日止年度所授出購股權利用三項期權定價模型釐定之於授出日期之公平值為港幣23,610,000元。

截至二零一七年十二月三十一日止年度，所有購股權失效。

43. 比較數字

以下於綜合損益及其他全面收入表內之比較數字已重新分類，以配合本集團本年度之呈列方式：

與員工成本及其他行政成本有關之行政費用約港幣32,531,000元已重新分類至銷售成本，以公平地呈列所產生成本之性質。

董事會認為，將比較數字重新分類，對本集團截至二零二二年十二月三十一日止年度之綜合損益及其他全面收入表影響不大。



金朝陽集團有限公司*
SOUNDWILL HOLDINGS LIMITED

於百慕達註冊成立之有限公司 Incorporated in Bermuda with limited liability
股份代號 Stock Code : 0878



MIX
Paper | Supporting responsible forestry
紙張 | 支持 負責任的 林業
FSC® C007445