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ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The board of directors (the “**Board**”) of Eternity Investment Limited (the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2021 together with the comparative figures for 2020 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue	4	272,165	221,757
Cost of sales		(98,747)	(84,639)
Gross profit		173,418	137,118
Investment and other income	5	6,841	14,092
Other gains and losses	6	27,075	122,071
Selling and distribution expenses		(3,695)	(3,410)
Allowance for expected credit losses on financial assets	7	(250,392)	(198,470)
Administrative expenses		(120,501)	(95,519)
Share of results of associates		(19,411)	(98,176)
Loss from operations		(186,665)	(122,294)
Finance costs	8	(57,760)	(54,278)
Loss before taxation		(244,425)	(176,572)
Income tax credit	9	43,946	35,547
Loss for the year	10	(200,479)	(141,025)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

	2021	2020
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the year attributable to:		
Owners of the Company	(200,375)	(140,858)
Non-controlling interests	(104)	(167)
	<u>(200,479)</u>	<u>(141,025)</u>
	<u>(200,479)</u>	<u>(141,025)</u>
Loss per share	<i>11</i>	
Basic (<i>Hong Kong cents</i>)	(5.25)	(3.69)
	<u>(5.25)</u>	<u>(3.69)</u>
Diluted (<i>Hong Kong cents</i>)	(5.25)	(3.69)
	<u>(5.25)</u>	<u>(3.69)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss for the year	(200,479)	(141,025)
Other comprehensive (expense)/income for the year, net of income tax		
<i>Items that will not be reclassified to profit or loss:</i>		
Fair value loss on equity instruments at fair value through other comprehensive income	(598)	–
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translating foreign operations	26,643	85,822
Reclassification adjustments for a foreign operation disposed of	–	(508)
Reclassification adjustments for an associate disposed of	(20)	–
Share of other comprehensive expense of an associate, net of related income tax	(42)	(88)
	26,581	85,226
Other comprehensive income for the year, net of income tax	25,983	85,226
Total comprehensive expense for the year	(174,496)	(55,799)
Total comprehensive expense for the year attributable to:		
Owners of the Company	(174,215)	(55,270)
Non-controlling interests	(281)	(529)
	(174,496)	(55,799)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

	Notes	2021 HK\$'000	2020 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		847,584	654,528
Right-of-use assets		276,447	244,716
Investment properties		164,500	140,000
Intangible assets		865,777	862,058
Goodwill		298,362	289,841
Interests in associates		53,089	177,341
Deferred tax assets		92,959	50,642
Equity instruments at fair value through other comprehensive income		25,920	–
Prepayments and other receivables		28,590	25,441
Loans receivables	12	–	161,430
		<u>2,653,228</u>	<u>2,605,997</u>
Current assets			
Inventories		36,406	32,993
Loans receivables	12	629,755	611,491
Trade receivables	13	34,860	29,554
Deposits, prepayments and other receivables		144,228	96,360
Financial assets at fair value through profit or loss		255,954	410,395
Derivative financial instruments		3,684	–
Cash and cash equivalents		43,571	54,125
		<u>1,148,458</u>	<u>1,234,918</u>
Total assets		<u>3,801,686</u>	<u>3,840,915</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
EQUITY			
Share capital		38,196	38,196
Reserves		2,155,246	2,330,465
Equity attributable to owners of the Company		2,193,442	2,368,661
Non-controlling interests		(6,285)	(6,004)
Total equity		2,187,157	2,362,657
LIABILITIES			
Current liabilities			
Trade payables	14	15,512	7,961
Deposits received, accruals and other payables		109,444	101,536
Receipts in advance		163,807	35,480
Tax payables		74,589	84,966
Bank borrowings		157,354	162,465
Other borrowings		268,420	254,315
Lease liabilities		6,854	3,042
Guaranteed secured notes		200,000	250,000
Amount due to an associate		1,961	1,966
Amount due to a director		–	1,300
Derivative financial instruments		1,789	–
		999,730	903,031
Non-current liabilities			
Deposits received and other payables		51,221	62,583
Lease liabilities		318,513	282,123
Deferred tax liabilities		245,065	230,521
		614,799	575,227
Total liabilities		1,614,529	1,478,258
Total equity and liabilities		3,801,686	3,840,915
Net current assets		148,728	331,887
Total assets less current liabilities		2,801,956	2,937,884

Notes:

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). 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 and by the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments that are measured at fair values at the end of each reporting period.

The consolidated financial statements are presented in thousands of units of Hong Kong dollar (**HK\$’000**), which is same as the functional currency of the Company.

2. Application of amendments to HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

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

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

The 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.

New and amendments to HKFRSs in issue but not yet effective

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

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

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

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

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

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

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

3. Operating segments

The Group's operating segments have been determined based on the information reported to the Chairman of the board of directors, being the chief operating decision maker, that are used for performance assessment and to make strategic decisions. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other operating segments. The Group currently has four operating segments:

- | | | |
|-----|--------------------------|---|
| (a) | Property investment | Leasing of rental properties |
| (b) | Sale of financial assets | Sale of financial assets at fair value through profit or loss ("FVTPL") |
| (c) | Money lending | Money lending |
| (d) | Sale of jewelry products | Design and sale of jewelry products |

An analysis of the Group's reportable segment revenue, results, assets, liabilities and other selected financial information for the years ended 31 December 2021 and 2020 by operating segments are as follows:

Segment revenue and results

For the year ended 31 December 2021

	Property investment HK\$'000	Sale of financial assets HK\$'000	Money lending HK\$'000	Sale of jewelry products HK\$'000	Consolidated HK\$'000
Segment revenue	37,429	62,164	81,808	90,764	272,165
Segment (loss)/profit	(41,878)	(53,799)	(196,413)	1,682	(290,408)
Interest income on bank deposits					103
Unallocated corporate expenses					(23,270)
Gain on disposal of associate					146,321
Finance costs					(57,760)
Share of results of associates					(19,411)
Loss before taxation					(244,425)
Income tax credit					43,946
Loss for the year					(200,479)

For the year ended 31 December 2020

	Property investment <i>HK\$'000</i>	Sale of financial assets <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Sale of jewelry products <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue	<u>26,868</u>	<u>51,259</u>	<u>74,361</u>	<u>69,269</u>	<u>221,757</u>
Segment (loss)/profit	<u>(49,979)</u>	<u>191,807</u>	<u>(148,768)</u>	<u>(13,103)</u>	(20,043)
Interest income on bank deposits					66
Unallocated corporate expenses					(4,141)
Finance costs					(54,278)
Share of results of associates					<u>(98,176)</u>
Loss before taxation					(176,572)
Income tax credit					<u>35,547</u>
Loss for the year					<u>(141,025)</u>

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in both years.

Segment results represent (loss incurred)/profit earned by each segment without allocation of central administrative expenses including directors' emoluments, share of results of associates, certain investment and other income, certain other gains and losses, finance costs and income tax credit. This is the measure reported to the Chairman of the board of directors for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

At 31 December 2021

	Property investment <i>HK\$'000</i>	Sale of financial assets <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Sale of jewelry products <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment assets					
– Hong Kong	353,479	299,028	710,168	68,223	1,430,898
– The People’s Republic of China (the “PRC”)	<u>2,292,773</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,292,773</u>
	<u>2,646,252</u>	<u>299,028</u>	<u>710,168</u>	<u>68,223</u>	<u>3,723,671</u>
Unallocated corporate assets					<u>78,015</u>
Consolidated total assets					<u>3,801,686</u>
Segment liabilities					
– Hong Kong	(108,942)	(82,321)	(1,927)	(54,031)	(247,221)
– The PRC	<u>(944,337)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(944,337)</u>
	<u>(1,053,279)</u>	<u>(82,321)</u>	<u>(1,927)</u>	<u>(54,031)</u>	<u>(1,191,558)</u>
Unallocated corporate liabilities					<u>(422,971)</u>
Consolidated total liabilities					<u>(1,614,529)</u>

At 31 December 2020

	Property investment <i>HK\$'000</i>	Sale of financial assets <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Sale of jewelry products <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment assets					
– Hong Kong	371,039	423,033	815,560	60,533	1,670,165
– The PRC	<u>1,980,923</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,980,923</u>
	<u>2,351,962</u>	<u>423,033</u>	<u>815,560</u>	<u>60,533</u>	3,651,088
Unallocated corporate assets					<u>189,827</u>
Consolidated total assets					<u>3,840,915</u>
Segment liabilities					
– Hong Kong	(116,039)	(66,427)	(4,372)	(49,921)	(236,759)
– The PRC	<u>(768,137)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(768,137)</u>
	<u>(884,176)</u>	<u>(66,427)</u>	<u>(4,372)</u>	<u>(49,921)</u>	(1,004,896)
Unallocated corporate liabilities					<u>(473,362)</u>
Consolidated total liabilities					<u>(1,478,258)</u>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than interests in associates, certain deposits, prepayments, other receivables and cash and cash equivalents that are not attributable to individual segments. Assets used jointly by individual segments are allocated on the basis of the revenues earned by individual segments; and
- all liabilities are allocated to operating segments other than other borrowings, guaranteed secured notes, certain accruals and other payables, certain tax payables, amount due to an associate, and amount due to a director that are not attributable to individual segments. Liabilities for which segments are jointly liable are allocated in proportion to segment assets.

Other segment information

For the year ended 31 December 2021

	Property investment HK\$'000	Sale of financial assets HK\$'000	Money lending HK\$'000	Sale of jewelry products HK\$'000	Consolidated HK\$'000
Amount included in the measure of segment (loss)/profit and segment assets					
Additions to property, plant and equipment	226,883	–	–	7	226,890
Allowance for expected credit losses ("ECL") on loan receivables	–	–	(251,002)	–	(251,002)
Amortisation of intangible assets	(21,320)	–	–	–	(21,320)
Depreciation of property, plant and equipment	(21,520)	–	–	(12)	(21,532)
Depreciation of right-of-use assets	(6,332)	–	–	(300)	(6,632)
Gain arising on change in fair value of investment properties	3,800	–	–	–	3,800
Gain arising on change in fair value of derivative financial instruments	–	1,895	–	–	1,895
Impairment loss on property, plant and equipment	(7,315)	–	–	–	(7,315)
Interest income on other receivables	1,146	–	–	–	1,146
Loss arising on change in fair value of financial assets at FVTPL	–	(117,541)	–	–	(117,541)
Membership income	3,748	–	–	–	3,748
Reversal of allowance for ECL on other receivables	426	–	–	–	426
Reversal of allowance for ECL on trade receivables	–	–	–	184	184
Written-off of property, plant and equipment	(85)	–	–	–	(85)
	<u>(85)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(85)</u>

For the year ended 31 December 2020

	Property investment <i>HK\$'000</i>	Sale of financial assets <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Sale of jewelry products <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Amount included in the measure of segment (loss)/profit and segment assets					
Additions to property, plant and equipment	156,894	–	–	7	156,901
Allowance for ECL on loan receivables	–	–	(197,432)	–	(197,432)
Allowance for ECL on other receivables	(723)	–	–	–	(723)
Allowance for ECL on trade receivables	–	–	–	(315)	(315)
Amortisation of intangible assets	(19,895)	–	–	–	(19,895)
Depreciation of property, plant and equipment	(22,862)	–	–	(23)	(22,885)
Depreciation of right-of-use assets	(2,477)	–	–	(296)	(2,773)
Dividend income	–	330	–	–	330
Gain arising on change in fair value of financial assets at FVTPL	–	140,509	–	–	140,509
Government grants	537	–	216	988	1,741
Interest income on other receivables	1,691	–	–	–	1,691
Loss arising on change in fair value of investment properties	(19,200)	–	–	–	(19,200)
Loss on disposal of property, plant and equipment	(8)	–	–	–	(8)
Loss of inventories	–	–	–	(4,914)	(4,914)
Membership income	1,653	–	–	–	1,653
Written-off of property, plant and equipment	(177)	–	–	–	(177)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Geographical information

The Group mainly operates in Hong Kong and the PRC. The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from external customers		Non-current assets	
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Australia	1,038	495	–	–
Europe	13,314	11,747	–	–
Hong Kong	225,093	187,742	402,327	537,512
The PRC	32,720	21,773	2,108,108	1,833,599
	<u>272,165</u>	<u>221,757</u>	<u>2,510,435</u>	<u>2,371,111</u>

Note:

Non-current assets excluded deferred tax assets, equity instruments at fair value through other comprehensive income, other receivables and loan receivables.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	For the year ended 31 December	
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Customer 1 ¹	49,206	34,430
Customer 2 ²	32,720	N/A ⁴
Customer 3 ³	–	29,916

¹ Revenue from sale of jewelry products.

² Revenue from property investment.

³ Revenue from sale of financial assets.

⁴ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

4. Revenue

	For the year ended	
	31 December	
	2021	2020
	HK\$'000	HK\$'000
Disaggregation of revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by types of goods and services		
– sale of jewelry products	90,764	69,269
Revenue from other sources		
– sale of financial assets at FVTPL, net	62,164	51,259
– interest income on loans	81,808	74,361
– rental income	37,429	26,868
Total revenue	272,165	221,757
Timing of revenue recognition		
– a point in time	90,764	69,269
– over time	–	–
Revenue from contracts with customers	90,764	69,269

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	For the year ended	
	31 December	
	2021	2020
	HK\$'000	HK\$'000
Sale of jewelry products	90,764	69,269
Revenue from contracts with customers	90,764	69,269
Sale of financial assets at FVTPL, net	62,164	51,259
Interest income on loans	81,808	74,361
Rental income	37,429	26,868
Total revenue	272,165	221,757

Revenue from sale of financial assets at FVTPL is recorded on a net basis, details of which are as follows:

	For the year ended	
	31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Proceeds from sale of financial assets at FVTPL	345,437	127,460
Carrying amounts of financial assets at FVTPL sold plus transaction costs	(283,273)	(76,201)
	<u>62,164</u>	<u>51,259</u>

5. Investment and other income

	For the year ended	
	31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividend income	–	330
Government grants	–	1,741
Interest income on bank deposits	103	66
Interest income on other receivables	1,146	1,691
Membership income	3,748	1,653
Sundry income	1,844	8,611
	<u>6,841</u>	<u>14,092</u>

During the year ended 31 December 2020, the Group recognised government grants of HK\$1,741,000 in respect of COVID-19 related subsidies, of which HK\$1,661,000 relates to Employment Support Scheme and HK\$80,000 relates to the Retail Sector Subsidy Scheme under the Anti-epidemic Fund provided by the Hong Kong government.

6. Other gains and losses

	For the year ended	
	31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Gain arising on change in fair value of derivative financial instruments	1,895	–
Gain on disposal of associate	146,321	–
Gain/(loss) arising on change in fair value of investment properties	3,800	(19,200)
Gain on disposal of a subsidiary	–	947
Impairment loss on property, plant and equipment	(7,315)	–
(Loss)/gain arising on change in fair value of financial assets at FVTPL	(117,541)	140,509
Loss on disposal of property, plant and equipment	–	(8)
Written-off of property, plant and equipment	(85)	(177)
	<u>27,075</u>	<u>122,071</u>

7. Allowance for expected credit losses on financial assets

	For the year ended	
	31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Reversal of allowance)/allowance for ECL on loan receivables:		
– 12 months ECL	(11,389)	11,402
– lifetime ECL not credit-impaired	–	62,303
– lifetime ECL credit-impaired	262,391	123,727
	<u>251,002</u>	<u>197,432</u>
(Reversal of allowance)/allowance for ECL on other receivables:		
– 12 months ECL	(426)	723
(Reversal of allowance)/allowance for ECL on trade receivables	(184)	315
	<u>250,392</u>	<u>198,470</u>

8. Finance costs

	For the year ended	
	31 December	
	2021	2020
	HK\$'000	HK\$'000
Interest on bank borrowings	2,441	3,528
Interest on other borrowings	19,860	18,357
Interest on lease liabilities	15,492	12,867
Imputed interest on guaranteed secured notes	29,223	28,105
	<u>67,016</u>	<u>62,857</u>
Less: interest on lease liabilities capitalised in the cost of qualifying assets	<u>(9,256)</u>	<u>(8,579)</u>
	<u><u>57,760</u></u>	<u><u>54,278</u></u>

9. Income tax credit

	For the year ended	
	31 December	
	2021	2020
	HK\$'000	HK\$'000
Hong Kong Profits Tax		
– current tax	–	–
– over provision in prior years	20	36
	<u>20</u>	<u>36</u>
PRC Enterprise Income Tax		
– current tax	(2,388)	(2,768)
Deferred tax credit	46,314	38,279
	<u><u>43,946</u></u>	<u><u>35,547</u></u>

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2,000,000 for both years.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

10. Loss for the year

Loss for the year has been arrived at after charging/(crediting):

	For the year ended	
	31 December	
	2021	2020
	HK\$'000	HK\$'000
Amortisation of intangible assets (included in administrative expenses)	21,320	19,895
Auditors' remuneration:		
– audit services	829	829
– non-audit services	837	189
	1,666	1,018
Cost of inventories sold	80,191	69,556
Depreciation of property, plant and equipment	21,532	22,885
Depreciation of right-of-use assets	6,632	2,773
Loss of inventories (included in administrative expenses)	–	4,914
Net foreign exchange loss	108	67
Rental expenses in respect of short-term leases	30	80
Staff costs (including directors' emoluments):		
– salaries and allowances	48,394	41,887
– discretionary bonuses	2,247	2,298
– equity-settled share-based payment expenses	16,377	–
– contributions to retirement benefits scheme	2,238	1,109
	69,256	45,294
Gross rental income from investment properties and operating rights	(37,429)	(26,868)
Less: direct operating expenses incurred for investment properties and operating rights that generated rental income during the year	18,556	15,083
	(18,873)	(11,785)

11. Loss per share

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	For the year ended 31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
<u>Loss for the purpose of basic and diluted loss per share</u>		
Loss for the year attributable to owners of the Company	<u>(200,375)</u>	<u>(140,858)</u>
	For the year ended 31 December	
	2021	2020
	'000	'000
<u>Number of ordinary shares</u>		
Weighted average number of ordinary shares		
less weighted average number of shares		
held for share award plan for the purpose		
of basic and diluted loss per share	<u>3,819,606</u>	<u>3,819,606</u>

The computation of diluted loss per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price for shares for the year ended 31 December 2021.

No diluted loss per share for the year ended 31 December 2020 was presented as there were no potential ordinary shares in issue.

12. Loan receivables

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loans to customers	1,035,432	964,910
Accrued interest receivables	49,003	11,689
	<u>1,084,435</u>	<u>976,599</u>
<i>Less: accumulated allowance for ECL</i>	<u>(454,680)</u>	<u>(203,678)</u>
	<u><u>629,755</u></u>	<u><u>772,921</u></u>

All loans are denominated in Hong Kong dollar. The loan receivables carry effective interest ranging from 8% to 15% per annum (2020: 8% to 15% per annum). Loans contain a repayable on demand clause and are classified under current assets.

During the year ended 31 December 2021, an allowance for ECL on loan receivables of HK\$251,002,000 was recognised (2020: HK\$197,432,000).

During the year ended 31 December 2021, no loan receivables was written-off (2020: HK\$15,775,000).

At 31 December 2021, six loans in the aggregate principal amounts of HK\$615,000,000 are secured by corporate guarantees. At 31 December 2020, three loans in the aggregate principal amounts of HK\$260,000,000 are secured by corporate guarantees.

Included in the carrying amount of loan receivables at 31 December 2021 is an accumulated allowance for ECL of HK\$454,680,000 (2020: HK\$203,678,000).

Movement in the accumulated allowance for ECL during the year is as follows:

	12 months ECL HK\$'000	Lifetime ECL not credit- impaired HK\$'000	Lifetime ECL credit- impaired HK\$'000	Total HK\$'000
At 1 January 2020	22,021	–	–	22,021
Transfer to lifetime ECL not credit-impaired	(2,881)	2,881	–	–
Transfer to lifetime ECL credit-impaired	(1,162)	–	1,162	–
Allowance for ECL recognised	11,402	62,303	123,727	197,432
Written-off of loan receivables	–	–	(15,775)	(15,775)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020 and 1 January 2021	29,380	65,184	109,114	203,678
Transfer to lifetime ECL credit-impaired	(9,753)	(65,184)	74,937	–
Allowance for ECL (reversed)/recognised	(11,389)	–	262,391	251,002
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2021	8,238	–	446,442	454,680
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

13. Trade receivables

	2021 HK\$'000	2020 HK\$'000
Trade receivables	35,136	30,014
Less: accumulated allowance for ECL	(276)	(460)
	<u> </u>	<u> </u>
	34,860	29,554
	<u><u> </u></u>	<u><u> </u></u>

The following is an aging analysis of trade receivables (net of accumulated allowance for ECL) at the end of the reporting period presented based on the invoice dates:

	2021 HK\$'000	2020 HK\$'000
0-30 days	7,547	6,974
31-60 days	7,275	6,590
61-90 days	3,734	5,924
91-120 days	5,265	5,627
121-180 days	5,277	3,490
Over 180 days	5,762	949
	<u> </u>	<u> </u>
	34,860	29,554
	<u><u> </u></u>	<u><u> </u></u>

The Group allows credit period ranging from 0 to 270 days to its customers. The directors assess the credit status and impose credit limits for customers in accordance with the Group's credit policy. The credit limits are closely monitored and subject to periodic reviews.

During the year ended 31 December 2021, an allowance for ECL on trade receivables of HK\$184,000 was reversed (2020: HK\$315,000 was recognised).

Included in the carrying amount of trade receivables at 31 December 2021 is an accumulated allowance for ECL of HK\$276,000 (2020: HK\$460,000).

14. Trade payables

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade payables	15,512	7,961

The following is an aging analysis of trade payables at the end of the reporting period presented based on the invoice dates:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 – 30 days	9,859	4,159
31 – 60 days	837	970
61 – 90 days	146	1,039
91 – 120 days	164	815
Over 120 days	4,506	978
	15,512	7,961

The average credit period on purchase of goods and services is 120 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

EXTRACT OF THE INDEPENDENT AUDITORS' REPORT

The section below set out an extract of the independent auditors' report regarding the consolidated financial statements of the Group for the year ended 31 December 2021.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in sub-paragraph (a) of the *Basis for Qualified Opinion* section of our report and the possible effects on the corresponding figures of the matters described in sub-paragraph (b) of the *Basis for Qualified Opinion* section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Qualified Opinion

Interests in associates

(a) Share of results of associates and gain on disposal of associate

As disclosed in note 25 to the consolidated financial statements, the Group disposed of an aggregate of 62,195,000 shares in Global Mastermind Holdings Limited (“**Global Mastermind**”, together with its subsidiaries (the “**Global Mastermind Group**”)) in May 2021 (the “**GM Disposal**”) and the Group's shareholdings in Global Mastermind decreased from 24.85% to 12.67% during the year ended 31 December 2021. Before the GM disposal, Global Mastermind was an associate of the Group and had been accounted for by the Group using the equity method of accounting. As a result of the GM Disposal, the Group ceased to have significant influence over Global Mastermind, and hence Global Mastermind ceased to be an associate of the Group, on 24 May 2021. The Group discontinued the use of the equity method to account for its interests in Global Mastermind from 24 May 2021 and accounts for its remaining interests in Global Mastermind as financial assets at fair value through profit or loss from 24 May 2021. Upon the GM Disposal, the Group recognised a gain on disposal of associate of HK\$146,321,000 in consolidated profit or loss and a release of exchange reserve of HK\$20,000 in consolidated other comprehensive income, as well as a release of other reserve of HK\$19,035,000 to retained profits for the year ended 31 December 2021. Further, included in the share of results of associates in consolidated profit or loss of the Group for the year ended 31 December 2021 is the share of profit of HK\$2,917,000 and included in consolidated other comprehensive income for the year ended 31 December 2021 is the share of other comprehensive expense of HK\$1,000 in respect of the Group's share of profit and the Group's share of other comprehensive expense of the

Global Mastermind Group for the period from 1 January 2021 to 24 May 2021 arising from the application of the equity method to account for the Group’s interests in the Global Mastermind Group up to the date on which Global Mastermind ceased to be an associate. The Group has recognised its share of profit and other comprehensive expense of the Global Mastermind Group and the gain on disposal of associate based on the consolidated financial statements of the Global Mastermind Group.

On 30 August 2021, the Global Mastermind Group entered into a sale and purchase agreement to dispose of (the “**HW Disposal**”) its entire equity interests in Harvest Well International Limited (“**Harvest Well**” or “**HW**”) to a purchaser (the “**HW Purchaser**”). The principal subsidiary of Harvest Well was Safe2Travel Pte Ltd. (“**Safe2Travel**”), which was engaged in travel business in Singapore. We were given to understand by the directors of Global Mastermind that, after the HW Disposal, the accounting books and records of Safe2Travel were maintained at Safe2Travel’s office in Singapore, and part of accounting books and records relating to Safe2Travel which were retained by the Global Mastermind Group that were made available to us were not sufficient for the purposes of our audit of the consolidated financial statements of the Global Mastermind Group. According to the directors of Global Mastermind, they have taken all reasonable steps and used their best endeavours to request the HW Purchaser to provide assistance in Global Mastermind’s audit procedures, but they were given to understand that the HW Purchaser has failed to procure the cooperation of the directors of Safe2Travel in the provision of documents and access to information for the purposes of the audit of the Global Mastermind Group’s consolidated financial statements despite repeated demands, as a result of which we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether (i) the financial performance of Safe2Travel included in the financial performance of the Global Mastermind Group for the period from 1 January 2021 to 24 May 2021; and (ii) the carrying amounts of assets and liabilities of Safe2Travel included in the assets and liabilities of the Global Mastermind Group as at 24 May 2021 were free from material misstatements.

Any adjustments that might have been found necessary to the financial performance of Safe2Travel for the period from 1 January 2021 to 24 May 2021 and the carrying amount of assets and liabilities of Safe2Travel as at 24 May 2021 might have material effects on the financial performance and financial position of the Global Mastermind Group for the period from 1 January 2021 to 24 May 2021 and as at 24 May 2021 upon which the Group has based its recognition of its share of profit and other comprehensive expense of the Global Mastermind Group and the gain on disposal of associate included in its consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021. Consequently, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the Group’s share of results of associates and share of other comprehensive income of associates and the gain on disposal of associate presented in its consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021 and the related elements and disclosures thereof in the consolidated financial statement were free from material misstatements.

(b) Corresponding figures in relation to interests in associates

Our audit opinion on the Group’s consolidated financial statements for the year ended 31 December 2020 was modified, on the basis of the matters set out in our auditor’s report dated 30 March 2021 on pages 93 to 106 of the Company’s annual report for 2020. Further details of the incidents (the “**SA Incidents**”) relating to Solution Apex Investments Limited (“**Solution Apex**” or “**SA**”) regarding three purported payments (the “**Purported Payments**”) to three purported parties (the “**Purported Three Parties**”) with the aggregate amount of HK\$47,534,000 in July 2020 and the purported withdrawal of the remaining bank balance of Solution Apex of HK\$11,231,000 entirely in August 2020 (the “**Purportedly Unauthorised Cash Withdrawals**”) are set out in note 25 to the consolidated financial statements of the Group for the year ended 31 December 2020 on pages 199 to 212 of the Company’s annual report for 2020. Our audit opinion on the Group’s consolidated financial statements for the year ended 31 December 2021 is also modified because of the possible effects of the matters described below on the comparability of the current year’s figures and the corresponding figures.

As represented by the directors of Global Mastermind, the Purported Payments to the Purported Three Parties and the Purportedly Unauthorised Cash Withdrawals were carried out without the authorisation from the directors of Global Mastermind. Further, we were given to understand by the directors of Global Mastermind that Mr. Allan Yap (“**Mr. Yap**”) had been the sole director of Solution Apex since 19 December 2014 and until 1 December 2020, Global Mastermind had not received any notice from Mr. Yap about his bankruptcy effective on 3 August 2020, was not aware of the purported resignation of Mr. Yap as of 1 December 2020 and did not know the identity and background of the purported successor of directorship in Solution Apex (“**Mr. X**”). On 29 December 2020, the directors of Global Mastermind had resolved to (i) remove Mr. X as the director of Solution Apex and Durable Gold Investments Limited (“**Durable Gold**”) (the immediate holding company of Solution Apex prior to the SA Disposal) with the immediate effect and replace him with Global Mastermind’s designated persons; (ii) instruct external legal advisers to commence legal proceedings to seek to recoup the Purported Payments to the Purported Three Parties and the Purportedly Unauthorised Cash Withdrawals and/or to seek damages and other remedies from individuals and entities against whom the Global Mastermind Group may have causes of action as a result of the SA Incidents (the “**Recovery Actions**”); (iii) establish an internal investigation working team (the “**Internal Investigation Working Team**”) to investigate the SA Incidents and to oversee the progress of the actions to be carried out by the external legal advisers; (iv) recognise a loss in respect of the SA Incidents of HK\$58,765,000 in the consolidated profit or loss of the Global Mastermind Group for the year ended 31 December 2020; and (v) enter into a sale and purchase agreement (the “**SA Disposal Agreement**”) with a purchaser (the “**SA Purchaser**”) to dispose (the “**SA Disposal**”) of Global Mastermind’s entire shareholdings in Solution Apex at a cash consideration of HK\$1, together with an outcome

sharing mechanism enabling Global Mastermind to retain 99% of the value or proceeds recovered from the realisation of the assets of Solution Apex and/or the actions to be taken by the SA Purchaser against Mr. Yap, the Purported Three Parties or other individuals and entities involved in the SA Incidents, details of which are set out in Global Mastermind’s announcement dated 29 December 2020 (the “**SA Incidents Announcement**”). The SA Disposal took place on 29 December 2020 and Solution Apex has ceased to be a subsidiary of the Global Mastermind Group since then.

Following the publication of the SA Incidents Announcement, the Internal Investigation Working Team recommended the audit committee of Global Mastermind (the “**Audit Committee of Global Mastermind**”) to engage an independent professional firm (the “**Investigator**”) to investigate the SA Incidents (the “**Investigation**”), including the circumstances and causes surrounding the Purported Payments to the Purported Three Parties and the Purportedly Unauthorised Cash Withdrawals. The detailed findings of the Investigation were disclosed in Global Mastermind’s announcement dated 10 May 2021, including the following findings of the Investigation, among other things: (i) there was a lack of replies with substance from the ex-officers of Durable Gold and Solution Apex who were believed to have knowledge of and/or involvement in the SA Incidents (the “**Ex-officers under Investigation**”); (ii) the copy of bank statements provided by some Ex-officers under Investigation did not show the recipients of funding withdrawals; (iii) no supporting documents were located during the Investigation showing the reasons for or approval of these funding withdrawals; (iv) during the time of occurrence of the SA Incidents, Mr. Yap was assisted by his team of management, comprising the Ex-officers under Investigation, regarding the finance and accounting works of Solution Apex but all of them have resigned/been removed after the revelation of the SA Incidents; (v) after considering the documents relating to three purported investments in the People’s Republic of China (the “**Purported Investments**”) (which were the reasons provided by the Ex-officers under Investigation in seeking to explain the Purported Payments to the Purported Three Parties before their resignations/removal) and the conduct of the Ex-officers under Investigation, the directors of Global Mastermind are of the view that the value of the Purported Investments and the genuineness of the Purportedly Unauthorised Cash Withdrawals were highly dubious and accordingly, the ability for Global Mastermind to recover its investment in Solution Apex was decided to be remote; and (vi) there was no indication that any present management of Global Mastermind was involved in the Purported Payments to the Purported Three Parties, the Purportedly Unauthorised Cash Withdrawals, the Purported Investments, the SA Incidents and the preparation of financial statements of Solution Apex.

After considering the findings and status of the Investigation during the year, in December 2021, the Internal Investigation Working Team reported to the Audit Committee of Global Mastermind that due to the lack of cooperation of the Ex-officers under Investigation, Global Mastermind has exhausted its means in conducting internal investigation and passed the matter to the continual follow-up of all appropriate legal actions by Solution Apex and its legal advisers. Global Mastermind has a vested interest in the outcome sharing proportion under the SA Disposal Agreement and will continue to oversee the progress of the Recovery Actions. That having said, in the light of the findings of the Investigation so far revealed, the outcome of the Recovery Actions and the ability for Global Mastermind to recover any amount from the outcome sharing proportion were concluded by the directors of Global Mastermind to be remote, and no amount has been recovered by Global Mastermind through the outcome sharing proportion under the SA Disposal Agreement up to the date of this report.

As a result of the above matters, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves in respect of the causes of the SA Incidents, and commercial substance and nature of the Purported Payments to the Purported Three Parties and the Purportedly Unauthorised Cash Withdrawals. Any adjustments that might have been found necessary to the loss in respect of the SA Incidents of HK\$58,765,000 recognised in consolidated profit or loss of the Global Mastermind Group for the year ended 31 December 2020 and the related elements in the consolidated financial statements of the Global Mastermind Group might have material effects on the financial performance of the Global Mastermind Group for the year ended 31 December 2020 and consequently, as the Group accounted for its interests in the Global Mastermind Group on an equity method of accounting basis, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the Group's share of loss and other comprehensive expense of the Global Mastermind Group for the year ended 31 December 2020 included in the Group's share of results of associates and the related elements and disclosures in the consolidated financial statements were free from material misstatements.

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditors' 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 qualified opinion.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Results of operations

During the year ended 31 December 2021, the Group recorded a revenue of HK\$272,165,000, a 23% increase from HK\$221,757,000 for the previous year. The increase in revenue was mainly attributable to a HK\$21,495,000 increase in the sale of jewelry products, a HK\$10,561,000 increase in rental income, and a HK\$10,905,000 increase in trading gain generated from the sale of financial assets. Of the total revenue, HK\$81,808,000 was generated from money lending, HK\$90,764,000 was generated from the sale of jewelry products, HK\$37,429,000 was generated from property investment, and a trading gain of HK\$62,164,000 was generated from the sale of financial assets.

Loss for the year ended 31 December 2021 attributable to owners of the Company amounted to HK\$200,375,000, a 42% increase from HK\$140,858,000 for the year ended 31 December 2020. This increase was mainly attributable to (i) the recognition of a loss of HK\$117,541,000 arising on change in fair value of financial assets at fair value through profit or loss (“FVTPL”), in contrast to the gain of HK\$140,509,000 in the year ended 31 December 2020, and (ii) a HK\$53,570,000 increase in the allowance for expected credit losses (“ECL”) on loan receivables, which were partially offset by (i) a gain on disposal of an associate of HK\$146,321,000 and (ii) a HK\$78,765,000 decrease in the share of losses of associates.

The Group’s sale of jewelry products business reported a gross profit of HK\$10,573,000 in the year ended 31 December 2021, whereas a gross loss of HK\$287,000 was recorded in the year ended 31 December 2020. In addition, the gross profit margin for the sale of jewelry products improved from -0.41% in the year ended 31 December 2020 to 12% in the year ended 31 December 2021. These improvements on gross profit and gross profit margin are discussed in the “*Sale of jewelry products business*” section under “Operations Review” below.

The gross profit for property investment increased by 60% from HK\$11,785,000 in the year ended 31 December 2020 to HK\$18,873,000 in the year ended 31 December 2021. In addition, the gross profit margin for property investment increased from 44% in the year ended 31 December 2020 to 50% in the year ended 31 December 2021. These increases were mainly attributable to the increase in the rental income generated from the leasing of the assets of the Club (as defined below) as discussed in the “*Property investment business*” section under “Operations Review” below.

Significant items of other gains and losses recorded by the Group are as follows:

- (a) In May 2021, the Group disposed of 62,195,000 shares in Global Mastermind, a then 24.85% owned associate of the Company, at the aggregate consideration of HK\$123,839,000 (net of transaction costs) on The Stock Exchange of Hong Kong Limited (the “Exchange”). Upon completing the disposal, the Group’s shareholding interests in Global Mastermind decreased to 12.67% and Global Mastermind ceased to be an associate of the Company. The disposal resulted in the gain on disposal of associate of HK\$146,321,000 to the Group.
- (b) At the end of the reporting period, the Group measured the investment property portion of the Shun Tak Property (as defined below) at fair value based on a valuation prepared by an independent qualified valuer and recognised a gain of HK\$3,800,000 arising on change in fair value of investment properties.
- (c) In January 2021, the Group changed the use of an office unit of the Shun Tak Property (as defined below) for earning rental purposes. At the date of change in use, the office unit had a carrying amount of HK\$24,215,000 and a fair value of HK\$20,700,000. Accordingly, the office unit was transferred from “property, plant and equipment” to “investment properties” at the fair value of HK\$20,700,000 for financial reporting purposes. As the carrying amount of the office unit exceeded its fair value, the excess of HK\$3,515,000 was recognised as an impairment loss on property, plant and equipment. At the end of the reporting period, the Group performed an impairment test for the property, plant and equipment portion of the Shun Tak Property (as defined below). As the carrying amount of the property, plant and equipment portion of the Shun Tak Property (as defined below) was less than its recoverable amount by HK\$3,800,000, an impairment loss of HK\$3,800,000 was further recognised. The recoverable amount of the property, plant and equipment portion of the Shun Tak Property (as defined below) was determined based on its fair value less costs of disposal.
- (d) At the end of the reporting period, the Group measured its equity securities at fair value and recognised the loss of HK\$117,541,000 arising on change in fair value of financial assets at FVTPL.

Selling and distribution expenses mainly represent staff costs and commission of the sales team, overseas travelling expenses, freight charges, and exhibition expenses incurred by the Group’s sale of jewelry products business. Selling and distribution expenses increased by 8% from HK\$3,410,000 in the year ended 31 December 2020 to HK\$3,695,000 in the year ended 31 December 2021. This increase was mainly attributable to an increase in overseas travelling and associated quarantine costs for business trips to Europe.

Allowance for ECL on financial assets increased from HK\$198,470,000 in the year ended 31 December 2020 to HK\$250,392,000 in the year ended 31 December 2021. This increase was mainly due to a HK\$53,570,000 increase in the allowance for ECL on the Group’s loan receivables, which is discussed in the “*Money lending business*” section under “Operations Review” below.

Administrative expenses increased by 26% from HK\$95,519,000 in the year ended 31 December 2020 to HK\$120,501,000 in the year 31 December 2021. This increase was mainly attributable to (i) a HK\$2,253,000 increase in fees paid to the directors of certain subsidiaries and (ii) the recognition of a HK\$16,377,000 equity-settled share-based payment expenses arising from the granting of share options to the executive directors and the Group's employees in June 2021.

Share of losses of associates amounted to HK\$19,411,000 for the year ended 31 December 2021, representing (i) the share of loss of HK\$1,018,000 from Elite Prosperous Investment Limited (“**Elite Prosperous**”), a 49% owned associate of the Company, (ii) the share of loss of HK\$22,235,000 from China Healthwise Holdings Limited (“**China Healthwise**”), a 20.19% owned associate of the Company, (iii) a gain on bargaining purchase of associate of HK\$926,000 arising from the further acquisition of 7,050,000 shares in China Healthwise by the Group, (iv) a loss on deemed disposal of associate of HK\$3,323,000 arising from the dilution of the Group's shareholding interests in Global Mastermind from 29.77% to 24.85% resulted from the allotment and issue of 84,507,042 new shares in Global Mastermind on 7 May 2021, (v) the share of profit of HK\$6,241,000 from Global Mastermind for the period from 1 January 2021 to 24 May 2021, being the date on which Global Mastermind ceased to be an associate of the Group, and (vi) the share of loss of HK\$2,000 from China Hong Kong Money Limited, a 30% owned associate of the Company.

Finance costs increased by 6% from HK\$54,278,000 in the year ended 31 December 2020 to HK\$57,760,000 in the year ended 31 December 2021. This increase was mainly due to the rise in the interest rate from 8% per annum to 13% per annum in extending the Guaranteed Secured Notes (as defined below) in September 2020.

The Group recorded a tax credit of HK\$43,946,000 for the year ended 31 December 2021. The tax credit derived from the recognition of (i) a deferred tax credit of HK\$41,309,000 arising from the allowance for ECL made on the Group's loan receivables, (ii) a deferred tax credit of HK\$5,652,000 resulting from the movements in the deferred tax liabilities recognised for the fair value adjustments on the acquisition of Smart Title Limited in October 2015, (iii) a deferred tax credit of HK\$685,000 resulting from movement in deferred tax assets related to lease contracts, and (iv) a deferred tax charge of HK\$1,332,000 resulting from utilisation of tax losses. The deferred tax credit was partially offset by the current period tax expense of HK\$2,368,000.

Liquidity and financial resources

During the year ended 31 December 2021, the Group funded its operations through a combination of cash generated from operations, equity attributable to owners of the Company, and borrowings. Equity attributable to owners of the Company decreased from HK\$2,368,661,000 at 31 December 2020 to HK\$2,193,442,000 at 31 December 2021. This decrease was due to the loss incurred by the Group for the year ended 31 December 2021.

At 31 December 2021, the cash and cash equivalents of the Group amounted to HK\$43,571,000 (31 December 2020: HK\$54,125,000).

At 31 December 2021, the Group had outstanding borrowings of HK\$625,774,000 (31 December 2020: HK\$668,080,000) representing:

- (a) the outstanding principal amount of the 13% guaranteed secured notes due 2022 issued by the Company on 22 December 2021 (the “**Guaranteed Secured Notes**”) of HK\$200,000,000, which is interest-bearing at 13% per annum, secured by (i) a share charge over 100% issued shares in Eternity Investment (China) Limited (formerly known as China Jiu hao Health Industry Group Limited), a wholly-owned subsidiary of the Company and the principal assets of which are (1) the rights to construct and operate the club facilities of a membership golf club and resort (the “**Club**”) in Beijing, Mainland China and (2) the rights to develop and operate a piece of 580 Chinese acre land adjacent to the Club (the “**Subject Land**”) and the rights to manage the properties erected on the Subject Land, and (ii) the personal guarantees given by Mr. Lei Hong Wai, the Chairman of the Board and an executive director, and Mr. Cheung Kwok Wai Elton, an executive director, and maturing on 24 September 2022;
- (b) the banking facilities in the aggregate principal amount of HK\$157,354,000, comprising (i) a monthly instalment loan of HK\$108,048,000, which is interest-bearing at 1% per annum over one-month HIBOR or 3% per annum below the prime rate quoted by the bank, whichever is lower, secured by a first legal charge over the Group’s properties located at Unit Nos. 1201, 1202, 1203, 1209, 1210, 1211 & 1212 and the corridor on 12th Floor, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong (the “**Shun Tak Property**”), guaranteed by the Company and two wholly-owned subsidiaries of the Company, and maturing on 18 March 2038, (ii) two advances of HK\$5,000,000 and HK\$20,000,000 under a revolving term loan, which are interest-bearing at HIBOR plus 2% per annum, secured by the first legal charge over the Shun Tak Property, guaranteed by the Company and a wholly-owned subsidiary of the Company, and maturing on 9 March 2022 and 27 April 2022 respectively, and (iii) various advances in the aggregate principal amount of HK\$24,306,000 under the account payable financing facilities, which are interest-bearing at 2% per annum over HIBOR, secured by the first legal charge over the Shun Tak Property, guaranteed by the Company and a wholly-owned subsidiary of the Company, and maturing within five months commencing from January 2022;
- (c) a loan of HK\$200,000,000 granted by a finance company, which is interest-bearing at 8% per annum, secured by (i) the post-dated cheques drawn in favour of the finance company for payment of the principal and the interests stipulated under the loan agreement, and (ii) a personal guarantee given by Mr. Lei Hong Wai, and maturing on 27 May 2022;
- (d) the securities margin financing facility of HK\$54,825,000 granted by a security brokerage firm, which is interest-bearing at prime rate plus 3% per annum and secured by the Group’s listed equity securities in Hong Kong held in the margin securities trading account and a personal guarantee given by Mr. Lei Hong Wai; and

- (e) the securities margin financing facility of HK\$13,595,000 granted by a security brokerage firm, which is interest-bearing at a fixed rate of 6% per annum and secured by the Group's listed equity securities in Hong Kong held in the margin securities trading account and a personal guarantee given by Mr. Lei Hong Wai.

Gearing ratio

At 31 December 2021, the gearing ratio calculated as a percentage of total borrowings over equity attributable to owners of the Company was 29% (31 December 2020: 28%).

Net current assets and current ratio

At 31 December 2021, the Group's net current assets and current ratio were HK\$148,728,000 (31 December 2020: HK\$331,887,000) and 1.15 (31 December 2020: 1.37) respectively.

Capital structure

During the year ended 31 December 2021, there was no change in the Company's capital structure.

Material acquisitions of subsidiaries, associates and joint ventures

During the year ended 31 December 2021, the Group did not have any material acquisitions of subsidiaries, associates and joint ventures.

Material disposals of subsidiaries, associates and joint ventures

In May 2021, the Group disposed of 62,195,000 shares in Global Mastermind at the aggregate consideration of HK\$123,839,000 (net of transaction costs) on the Exchange. Prior to the disposal, Global Mastermind was a 24.85% owned associate of the Company, and Global Mastermind had been accounted for as an investment in associate in the consolidated financial statements of the Group. Upon completing the disposal, the Group held 64,730,000 shares in Global Mastermind, representing 12.67% of the issued share capital of Global Mastermind and Global Mastermind ceased to be an associate of the Company. The disposal resulted in the gain on disposal of associate of HK\$146,321,000 to the Group. The remaining 64,730,000 shares in Global Mastermind have been accounted for as financial assets at FVTPL for financial reporting purposes.

Other than as disclosed above, the Group did not have any material disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2021.

Pledge of assets

At 31 December 2021, the following Group's assets were pledged:

- (a) the Shun Tak Property with a carrying amount of HK\$340,247,000 (31 December 2020: HK\$350,758,000), of which HK\$175,747,000 (31 December 2020: HK\$210,758,000) is classified under "property, plant and equipment" and HK\$164,500,000 (31 December 2020: HK\$140,000,000) is classified under "investment properties", for securing the banking facilities granted to the Group;
- (b) the 100% issued shares in Eternity Investment (China) Limited (formerly known as China Jiu hao Health Industry Group Limited) with the unaudited combined net assets of HK\$1,348,436,000 after adjusting for purchase price allocation (31 December 2020: HK\$1,212,786,000) for securing the Guaranteed Secured Notes; and
- (c) the Group's listed equity securities in Hong Kong with a fair value of HK\$162,026,000 (31 December 2020: HK\$231,228,000), of which HK\$116,962,000 (31 December 2020: HK\$131,101,000) is related to the Group's financial assets at FVTPL and HK\$45,064,000 (31 December 2020: HK\$100,127,000) is related to part of the Group's listed investment in an associate, for securing the margin financing facilities granted to the Group.

Material commitments

At 31 December 2021, the Group had a total commitment of HK\$264,792,000 (31 December 2020: HK\$238,288,000) relating to the development costs for the Subject Land, which were contracted but not provided for.

Exchange risk and hedging

The majority of the Group's transactions, assets and liabilities are denominated in Hong Kong dollars and Renminbi. The Group is exposed to exchange risk with respect mainly to Renminbi which may affect its performance. The directors closely monitor statement of financial position and cash flow exchange risk exposures and where considered appropriate use financial instruments, such as forward exchange contracts, foreign currency options and forward rate agreements, to hedge this exchange risk. During the year ended 31 December 2021, no financial instruments for hedging purposes were used by the Group.

Contingent liabilities

On 6 May 2021, a Beijing law firm as plaintiff filed a civil claim to the People’s Court in Chaoyang District, Beijing, Mainland China against four defendants, one of the four defendants is 北京北湖九號商務酒店有限公司 (Beijing Bayhood No. 9 Business Hotel Company Limited, “**Bayhood No. 9 Co.**”), a wholly-owned subsidiary of the Company, for an unsettled legal fee of RMB31,000,000 (equivalent to HK\$37,256,000) (excluding overdue interest) regarding an engagement of such law firm by the four defendants to resolve a civil dispute brought against them by an independent third party in relation to a property transaction in 2010. Details of the civil claim are disclosed in the Company’s announcement dated 6 August 2021.

The Group has been advised by a Mainland Chinese legal adviser that the possibility of Bayhood No. 9 Co. being required to pay the unsettled legal fee is remote. Accordingly, no provision for any liability arising from the civil claim has been made.

Employees and remuneration policy

At 31 December 2021, the headcount of the Group was 85 (2020: 65). Staff costs (including directors’ emoluments) amounted to HK\$69,256,000 in the year ended 31 December 2021 (2020: HK\$45,294,000). The increase in staff costs was mainly attributable to (i) a HK\$2,253,000 increase in fees paid to the directors of certain subsidiaries and (ii) the recognition of the equity-settled share-based payment expenses of HK\$16,377,000 arising from the grant of share options to executive directors and employees of the Group. In addition to basic salaries, contributions to retirement benefits scheme and discretionary bonus, staff benefits include medical scheme, share options, and share awards.

Key performance indicators

The Company has defined the following key performance indicators (“**KPIs**”) which are closely aligned with the performance of the Group.

		For the year ended	
		31 December	
	<i>Notes</i>	2021	2020
Revenue		HK\$272,165,000	HK\$221,757,000
Profit/(loss) for the year attributable to owners of the Company		(HK\$200,375,000)	(HK\$140,858,000)
Equity attributable to owners of the Company		HK\$2,193,442,000	HK\$2,368,661,000
Return on financial assets at FVTPL	<i>1</i>	-11%	56%
Return on loan receivables	<i>2</i>	8%	6%
Return on capital employed in sale of jewelry products	<i>3</i>	13%	-43%
Return on property investment	<i>4</i>	3%	-3%

Notes:

1. Return on financial assets at FVTPL includes trading gains and losses, gains and losses arising on change in fair value, and dividend income. It is measured as a percentage against opening fair value of financial assets at FVTPL.
2. Return on loan receivables includes interest income and written-off. It is measured as a percentage against average loan receivables (before accumulated allowance for ECL and accrued interest receivables).
3. Return on capital employed in sale of jewelry products represents segment profit or loss from sale of jewelry products business divided by average capital employed and is measured as a percentage.
4. Return on property investment includes gains and losses arising on change in fair value, rental income, gains and losses on disposal less amortisation of intangible assets in respect of the Club, depreciation expenses of the property, plant and equipment of the Club, depreciation of right-of-use assets in respect of the Club, and interest on lease liabilities in respect of the Club. It is measured as a percentage against opening fair value of investment properties, opening carrying amounts of intangible assets in respect of the Club and opening carrying amounts of property, plant and equipment of the Club.

Commentary on the performance of the Group against each of the KPIs is set out above and “Operations Review” below.

These KPIs are reviewed regularly and amended occasionally to correspond with the changing mix of the Group’s principal activities.

Operations Review

Sale of financial assets business

During the year ended 31 December 2021, the Group’s sale of financial assets business reported a segment loss (before taxation) of HK\$53,799,000, whereas a segment profit (before taxation) of HK\$191,807,000 was recorded in the previous year. The deterioration in segment results was due to the recognition of the loss of HK\$117,541,000 arising on change in fair value of financial assets at FVTPL, which fully offset the trading gain of HK\$62,164,000.

During the year ended 31 December 2021, the Group acquired nine Hong Kong-listed equity securities at the aggregate acquisition costs of HK\$116,131,000 and made the trading gain of HK\$62,164,000 from selling six Hong Kong-listed equity securities with the aggregate carrying amounts of HK\$282,491,000 at the aggregate net sale proceeds of HK\$344,655,000.

In May 2021, the Group disposed of 62,195,000 shares in Global Mastermind at the aggregate consideration of HK\$123,839,000 (net of transaction costs) on the Exchange. Upon completing the disposal, the Group held 64,730,000 shares in Global Mastermind and Global Mastermind ceased to be an associate of the Company. Accordingly, the 64,730,000 shares in Global Mastermind with a fair value of HK\$129,460,000 have been accounted for as financial assets at FVTPL for financial reporting purposes.

Movements in the carrying amount of the equity securities held by the Group recorded as “financial assets at FVTPL” during the years ended 31 December 2021 and 2020 are as follows:

	2021	2020
	HK\$'000	HK\$'000
Carrying amount at 1 January	410,395	240,815
<i>Add:</i> acquisitions	116,131	105,050
transfer from interests in associates	129,460	–
gain arising on change in fair value recognised	–	140,509
<i>Less:</i> disposals	(282,491)	(75,979)
loss arising on change in fair value recognised	(117,541)	–
	255,954	410,395

Details of the equity securities held by the Group recorded as “financial assets at FVTPL” at 31 December 2021 are as follows:

Name of Hong Kong-listed equity securities	Number of shares held at 31 December 2021	Fair value at 31 December 2021 HK\$'000	Fair value as compared to the consolidated total assets of the Group at 31 December 2021	Dividend received/receivable in the year ended 31 December 2021 HK\$'000	Gain/(loss) arising on change in fair value recognised in the year ended 31 December 2021 HK\$'000
Affluent Partners Holdings Ltd. (stock code: 1466)	1,674,200	204	0.01%	–	(42)
Boill Healthcare Holdings Ltd. (stock code: 1246)	29,000,000	5,220	0.14%	–	(1,160)

			Fair value as compared to the consolidated total assets of the Group at	Dividend received/ receivable in the year ended	Gain/(loss) arising on change in fair value recognised in the year ended
	Number of shares held at 31 December 2021	Fair value at 31 December 2021	31 December 2021	31 December 2021	31 December 2021
		<i>HK\$'000</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
Brockman Mining Ltd. (stock code: 159)	68,327,000	19,815	0.52%	–	9,859
Frontier Services Group Ltd. (stock code: 500)	47,807,000	29,640	0.78%	–	(6,621)
Global Mastermind Holdings Ltd. (stock code: 8063)	64,730,000	7,120	0.19%	–	(122,340)
Huanxi Media Group Ltd. (stock code: 1003)	32,960,000	46,474	1.22%	–	(5,423)
Huayi Tencent Entertainment Company Ltd. (stock code: 419)	195,462,649	42,024	1.11%	–	2,170
Kingston Financial Group Ltd. (stock code: 1031)	33,028,000	12,716	0.33%	–	(9,743)
Lajin Entertainment Network Group Ltd. (stock code: 8172)	25,500,000	6,375	0.17%	–	4,590
Link-Asia International Medtech Group Ltd. (stock code: 1143)	1,500,000	293	0.01%	–	(270)
Nayuki Holdings Ltd. (stock code: 2150)	19,000	163	0.00%	–	(217)
Nimble Holdings Company Ltd. (stock code: 186)	83,673,268	41,000	1.08%	–	(7,189)
Ocean Line Port Development Ltd. (stock code: 8502)	12,096,000	3,326	0.09%	–	242
SuperRobotics Holdings Ltd. (stock code: 8176)	8,925,000	3,570	0.09%	–	(2,753)
Town Health International Medical Group Ltd. (stock code: 3886)	70,000,000	30,800	0.81%	–	26,177

	Number of shares held at 31 December 2021	Fair value at 31 December 2021 <i>HK\$'000</i>	Fair value as compared to the consolidated total assets of the Group at 31 December 2021	Dividend received/ receivable in the year ended 31 December 2021 <i>HK\$'000</i>	Gain/(loss) arising on change in fair value recognised in the year ended 31 December 2021 <i>HK\$'000</i>
Yunfeng Financial Group Ltd. (stock code: 376)	5,344,000	7,214	0.19%	–	(4,821)
		<u>255,954</u>		–	<u>(117,541)</u>
Name of unlisted equity securities					
Hsin Chong Group Holdings Ltd.	90,000,000	–	0.00%	–	–
		–		–	–
		<u>255,954</u>		–	<u>(117,541)</u>

During the year ended 31 December 2021, the Group also acquired two unlisted equity securities at the aggregate consideration of HK\$26,518,000. The major assets of the two unlisted equity securities are their 29% equity interests in a company engaging in trading and supply of tea and food-related products. As the Group intends to hold the two unlisted equity securities as long-term investments, the two unlisted equity securities are recorded as “equity instruments at fair value through other comprehensive income”. At the end of the reporting period, the Group measured the two unlisted equity securities at fair value based on a valuation prepared by an independent professional valuer and recognised a loss of HK\$598,000 arising on change in fair value in other comprehensive income.

The directors believe that the future performance of the equity securities held by the Group is primarily affected by economic factors, investor sentiment, demand and supply balance of an investee company’s shares, and fundamentals of an investee company, such as investee company’s news, business fundamentals and development, financial performance and prospects. Accordingly, the directors closely monitor the above factors, particularly the fundamentals of each investee company in the Group’s equity securities portfolio, and proactively adjust the Group’s equity securities portfolio mix to improve its performance.

Money lending business

During the year ended 31 December 2021, the Group's money lending business generated interest income on loans amounting to HK\$81,808,000, a 10% increase from HK\$74,361,000 for the previous year, and reported a segment loss (before taxation) of HK\$196,413,000, a 32% increase from HK\$148,768,000 for the previous year. The deterioration in segment results was attributable to the HK\$53,570,000 increase in allowance for ECL as discussed below.

During the year ended 31 December 2021, the Group granted nine new loans in the aggregate principal amount of HK\$373,000,000 to eight customers and extended the final repayment date of one loan in the aggregate principal amount of HK\$40,000,000. The Group's customers made drawings in the aggregate principal amount of HK\$375,595,000 from the existing and new loans and repaid HK\$305,073,000 to the Group.

At 31 December 2021, 17 loans remained outstanding, in which (i) 11 loan receivables with the aggregate gross balance of HK\$397,948,000 were classified under stage 1 (initial recognition), and (ii) six loan receivables with the aggregate gross balance of HK\$686,487,000 were classified under stage 3 (credit-impaired). During the year ended 31 December 2021, two loan receivables with the aggregate gross balance of HK\$238,727,000 were transferred from stage 1 (initial recognition) to stage 3 (credit-impaired) as the customer failed to repay one of the loans and the accrued interest thereon after the reporting period. A loan receivable with a gross balance of HK\$188,044,000 was transferred from stage 1 (initial recognition) to stage 3 (credit-impaired) as the customer failed to pay interest for more than six months. In addition, the loan receivable with a gross balance of HK\$148,458,000 previously classified under stage 2 (significant increase in credit risk) was transferred to stage 3 (credit-impaired) as the customer failed to pay interest for more than six months.

At the end of the reporting period, the directors performed an impairment assessment on the Group's loan receivables with reference to a valuation prepared by an independent professional valuer. The valuation measured impairment on loan receivables using the general approach, which is often referred to "three-stage model", under Hong Kong Financial Reporting Standard 9 *Financial Instruments*. Based on the valuation, a total allowance for ECL on loan receivables of HK\$251,002,000 was made, a HK\$53,570,000 increase compared to that for the year ended 31 December 2020. Of the total allowance for ECL, HK\$11,389,000 was reversed for loan receivables classified under stage 1 (initial recognition), and HK\$262,391,000 was recognised for loan receivables classified under stage 3 (credit-impaired).

There was a reversal of allowance for ECL of HK\$11,389,000 under stage 1 (initial recognition) due to (i) the repayment of three loans during the year ended 31 December 2021 and (ii) the decrease in the probability of default in calculating the 12-month ECL resulting from the global economy's recovery following the deployment of the vaccination programme in early 2021. For the loan receivables classified under stage 3 (credit-impaired), the allowance for ECL increased from HK\$123,727,000 in the year ended 31 December 2020 to HK\$262,391,000 in the year ended 31 December 2021. This increase was due to the recognition of (i) an allowance for ECL of HK\$240,979,000 for the three loan receivables with the aggregate gross balance of HK\$426,770,000 transferred from stage 1 (initial recognition) to stage 3 (credit-impaired), an allowance for ECL of HK\$28,493,000 for the loan receivable with a gross balance of HK\$148,458,000 transferred from stage 2 (significant increase in credit risk) to stage 3 (credit-impaired), and (iii) an allowance for ECL of HK\$4,000 for an existing loan receivable with a gross balance of HK\$102,033,000 classified under stage 3 (credit-impaired), which were partially offset by a reversal of allowance for ECL of HK\$7,085,000 resulted from the repayment of a loan.

Since the financial year of 2020, the Group has recorded a substantial increase in the allowance for ECL on its loan receivables. The Group believes that such a substantial increase was primarily attributable to the outbreak of the COVID-19 pandemic in early 2020, which has an adverse impact on the financial condition and cash flow of several customers. In addition, it is evidenced by the money lending business that contributed positively to the Group prior to the COVID-19 pandemic. Nevertheless, the Group will continue to monitor the performance of its loan portfolio closely, especially in the repayment and financial condition of each customer.

At 31 December 2021, the Group's loan receivables, together with accrued interest receivables (before accumulated allowance for ECL), amounted to HK\$1,084,435,000 (31 December 2020: HK\$976,599,000).

Information on the Group's money lending business, including (i) business model, (ii) internal control system, (iii) basis of determining the allowance for ECL on loan receivables, and (iv) major terms of each outstanding loan receivables, are disclosed in the Company's annual report for the year ended 31 December 2021.

Sale of jewelry products business

During the year ended 31 December 2021, the Group's sale of jewelry products business generated revenue of HK\$90,764,000, a 31% increase from HK\$69,269,000 for the previous year, and reported a segment profit (before taxation) of HK\$1,682,000, whereas a segment loss (before taxation) of HK\$13,103,000 was reported in the previous year. The turnaround in segment result was due to (i) the increase in the sale of jewelry products, (ii) an improvement in gross profit margin from -0.41% to 12%, and (iii) the absence of the previous year's loss of inventories of HK\$4,914,000 due to theft.

During the year, the Group's sale of jewelry products business achieved a 31% growth in its revenue. As the progress of vaccination was going to drive the pace of economic recovery in Western countries, the Group received sales orders from its European customers and a local agent for American customers in the second half of 2021. Consequently, the Group recorded improvements in gross profit and gross profit margin in the year ended 31 December 2021. In addition, the development of the Group's own business-to-business sales portal for business development and placing sales orders is at the final testing stage. The Group expects that the business-to-business sales portal will be launched in the second quarter of 2022, which will enhance its sales and marketing capabilities.

At the end of the reporting period, the directors performed an impairment assessment on the Group's trade receivables with reference to a valuation prepared by the independent professional valuer. Based on the valuation, an allowance for ECL on trade receivables of HK\$184,000 was reversed. The reversal of the HK\$184,000 was due to the decrease in the probability of default in calculating the 12-month ECL resulting from the global economy's recovery following the deployment of the vaccination programme in early 2021.

At 31 December 2021, the Group's inventories of jewelry products, including raw materials, work-in-progress, and finished goods, amounted to HK\$31,681,000 (31 December 2020: HK\$28,618,000). The Group's sale of jewelry products business had undelivered sales orders amounting to HK\$4,318,000 (31 December 2020: HK\$2,200,000).

Property investment business

During the year ended 31 December 2021, the Group's property investment business generated rental income of HK\$37,429,000, a 39% increase from HK\$26,868,000 for the previous year, and recorded a segment loss (before taxation) of HK\$41,878,000, a 16% decrease from HK\$49,979,000 for the previous year. Of the total rental income, HK\$32,719,000 was generated from the assets of the Club and HK\$4,710,000 was generated from the investment property portion of the Shun Tak Property.

The increase in rental income was mainly attributable to the 30% increase in the rental income of the assets of the Club since October 2020 in accordance with the terms of the signed club lease agreement. In addition, the appreciation of Renminbi during the year contributed to the increase in rental income as the rental income of the assets of the Club were received and receivable in Renminbi. The improvement of the segment results was attributable to (i) the absence of the previous year's loss arising on change in fair value of investment properties of HK\$19,200,000, (ii) the increase in rental income generated from the leasing of the assets of the Club as discussed above, and (iii) the recognition of a gain of HK\$3,800,000 arising on change in fair value of investment properties.

In May 2020, the Group invited tenders to build seven blocks of three-storey residential serviced apartments and two blocks of three-storey office buildings on the second and third phases of the Subject Land and awarded the tender to a Mainland Chinese construction company in June 2020. Please refer to the section headed “*Business update on the development of the Subject Land*” below for more information on the development of the Subject Land.

In January 2021, the Group changed the use of an office unit of the Shun Tak Property for earning rental purposes. At the date of change in use, the office unit had a carrying amount of HK\$24,215,000 and a fair value of HK\$20,700,000. Accordingly, the office unit was transferred from “property, plant and equipment” to “investment properties” at the fair value of HK\$20,700,000 for financial reporting purposes. Although more office space of the investment property portion of the Shun Tak Property was leased out, the Group did not record an increase in the rental income generated from the investment property portion of the Shun Tak Property as offices leasing market in Hong Kong was affected by greater vacancy and pressure of reduction in rent.

At the end of the reporting period, the directors performed impairment tests for the goodwill arising from the acquisition of Smart Title Limited and the intangible assets relating to (i) the rights to construct and operate the club facilities of the Club and (ii) the rights to develop and operate the Subject Land and the rights to manage the properties erected on the Subject Land with reference to two discount cash flow projections to assess the value in use of the property investment business in Beijing, Mainland China. As the recoverable amount of the cash-generating unit of the Group’s property investment operations under Smart Title Limited exceeded its carrying amount, no impairment of goodwill and intangible assets were required.

At the end of the reporting period, the directors tested the right-of-use assets in respect of the Club and the Subject Land for impairment with reference to the two discount cash flow projections to assess the value in use of the property investment business in Beijing, Mainland China and concluded that no impairment for the Group’s right-of-use assets was required.

At the end of the reporting period, the directors measured the investment property portion of the Shun Tak Property at fair value. Based on the property valuation report prepared by the independent qualified valuer, the fair value of the investment property portion of the Shun Tak Property increased from HK\$140,000,000 at 31 December 2020 to HK\$164,500,000 (including the fair value of the office unit of HK\$20,700,000 transferred from “property, plant and equipment” in January 2021) at 31 December 2021. Accordingly, the Group recognised the gain of HK\$3,800,000 arising on change in fair value of investment properties.

Business update on the development of the Subject Land

The Company's indirect wholly-owned subsidiary, Bayhood No. 9 Co. owns (i) the rights to construct and operate the Club; and (ii) the rights to develop and operate the Subject Land and the rights (the "**Management Rights**") to construct and manage properties erected on the Subject Land (each a "**Property**" and collectively, the "**Properties**") for around 40 years until 30 January 2062. As disclosed previously in the Company's annual report for the year ended 31 December 2020, due to the unprecedented impact of COVID-19 pandemic on the hotel industry, the Company has modified its business strategy for the second and third phases of the Subject Land such that the Properties will be leased out on a long-term or short-term lease basis.

According to the development plan for the second and third phases of the Subject Land, a total of seven blocks of three-storey residential serviced apartments comprising of 279 residential serviced apartments with an aggregate gross floor area of 45,165 square meters (with individual serviced apartment of sizes ranging from approximately 88 to 459 square meters), together with two blocks of three-storey office buildings each having a gross floor area of approximately 6,300 square meters, are being constructed and offered for lease by Bayhood No. 9 Co.. The building works commenced in July 2020. However, due to certain external factors, such as new environmental requirements for building works and weather, the building works are delayed. However, it is expected that three blocks of three-storey residential serviced apartments will be complete and ready for the delivery of vacant possession in the third quarter of 2022. The total construction costs of phases two and three of the Subject Land was budgeted at RMB730,000,000 (equivalent to HK\$892,863,000).

Marketing activities were launched by the Group since August 2020. Up to 31 December 2021, 32 residential serviced apartments were successfully leased out by Bayhood No. 9 Co.. All the leases were separately negotiated by the Group's marketing staff in Mainland China on arm's length basis in the Group's ordinary course of business at different times by way of genuine standalone transactions. To the best of the directors' knowledge, information and belief having made all reasonable enquiries, all the lessees (and the ultimate beneficial owners of the corporate lessees) are third parties independent of and not related to the Company and its connected persons or associates (as such terms are defined in the Rules Governing the Listing of Securities on the Exchange (the "**Listing Rules**")).

The lease agreements entered into with the lessees of the Properties were negotiated with each lessees separately but the Group endeavoured to include the following key terms: (a) the lease period being negotiated with each lessee separately, which may be long-term or short-term depending on the lessee's preference, but in any event shall not exceed the remaining tenure of the Management Rights; (b) the payment terms (the "**Payment Terms**") being negotiated between Bayhood No. 9 Co. and the relevant lessee, ranging from the paying off of the total rental income for the entire lease period (the "**Total Rental Income**") in lump-sum(s) or by instalments; (c) the title of the Properties erected on the Subject Land being owned by Bayhood No. 9 Co., and the lessees being required to surrender the Properties back to Bayhood No. 9 Co. unconditionally and without receiving any compensation at the end of the lease period; and (d) the lessees being liable to pay a break fee on default of the lease agreement, which is equivalent to 15% of the Total Rental Income.

Under the applicable accounting standards, long-term agreements are treated as finance leases, and the Group recognises the Total Rental Income for long-term lease agreements, discounted at market interest rate over the period in which the instalments are paid (subject to the Payment Terms of the relevant lease agreement), as revenue on the delivery of vacant possession of a relevant Property to a lessee. Any Total Rental Income committed but not yet due to be paid by a lessee under the Payment Terms stipulated in the relevant lease agreement will be booked as trade receivables until payment. On default by a lessee, the break fee will be booked as trade receivables until payment and any unpaid trade receivables will be derecognised from the Group's statement of financial position. Short-term lease agreements are treated as operating leases, and the Group recognises the Total Rental Income as revenue on a straight-line basis over the term of the relevant lease agreement commencing on the delivery of vacant possession of a relevant Property to a lessee.

In order to meet the leasing target, the Group's Mainland Chinese marketing team will strive to achieve a high level of occupancy rate through competitive pricing policy as compared to similar properties in adjacent areas and flexible Payment Terms to provide incentives to interested lessees. The Group has also established a performance-linked remuneration system to provide incentives to its Mainland Chinese marketing team, who are staff of the Group, responsible for the leasing activities of this project. Through the efforts of its staff, the Group is hopeful to benefit from the continuous income stream derived from the annual rental income of this project for the remaining period of the Management Rights.

If the applicable ratios for any leases to be entered into by Bayhood No. 9 Co. in future exceed the relevant percentage thresholds, the Company will comply with the announcement and/or shareholders' approval requirements under Chapter 14 of the Listing Rules.

Investments in associates

Elite Prosperous is an investment holding company and the principal asset of which was the term loan of US\$10,000,000 (equivalent to HK\$78,410,000) advanced to an unlisted investment holding company. The principal subsidiaries of the unlisted investment holding company are engaged in (i) agency payment services, (ii) currency exchange services, and (iii) provision of online, mobile and cross-border payment services. Pursuant to the loan instrument, Elite Prosperous is entitled to convert the term loan into (i) such number of preferred shares in the capital of the unlisted investment holding company, or (ii) such number of preferred shares in the capital of one of the wholly-owned subsidiaries of the unlisted investment holding company, which is engaged in the provision of online, mobile and cross-border payment services. In May 2019, a subsidiary of the unlisted investment holding company was awarded a stored value facilities licence by Hong Kong Monetary Authority. In August 2021, Elite Prosperous entered into a debt conversion agreement with the unlisted investment holding company, pursuant to which the term loan was converted into 47,643 ordinary shares in the unlisted investment

holding company for preparing an initial public offering of its shares in the United States. The ordinary shares represent 2.65% of the entire issued share capital of the unlisted investment holding company. At the end of the reporting period, Elite Prosperous measured its investment in the unlisted investment holding company at fair value. Based on a valuation report prepared by an independent professional valuer, the investment had a fair value of HK\$23,648,000 at 31 December 2021 and Elite Prosperous recognised a loss of HK\$2,078,000 arising on change in fair value of its investment in the unlisted investment holding company. During the year ended 31 December 2021, Elite Prosperous reported a loss of HK\$2,078,000, and the Group shared a loss of HK\$1,018,000 from Elite Prosperous.

China Healthwise is an investment holding company and its subsidiaries are principally engaged in sales of Chinese health products, money lending business, and investment in financial instruments. During the year ended 31 December 2021, the Group further acquired 7,050,000 shares in China Healthwise at a consideration of HK\$2,199,000 on the Exchange. Accordingly, the Group's shareholding interests in China Healthwise increased from 20.27% to 21.19%. The further acquisition of 7,050,000 shares in China Healthwise resulted in the gain on bargaining purchase of associate of HK\$926,000. During the year ended 31 December 2021, China Healthwise reported a loss of HK\$103,046,000 and the Group shared a loss of HK\$22,235,000 from China Healthwise. The deterioration in China Healthwise's results for the year ended 31 December 2021 was mainly due to (i) the absence of the previous year's segment profit of its own brand manufacturing toys business, which was disposed of in October 2020, and (ii) a substantial increase in impairment loss on loan receivables.

Global Mastermind is an investment holding company and its subsidiaries are principally engaged in the provision and operation of travel business, treasury management business, money lending business and provision of securities, finance advisory services, and asset management services. On 7 May 2021, Global Mastermind allotted and issued 84,507,042 new shares pursuant to the exercise of the conversion rights attached to the convertible bonds of HK\$60,000,000 by the bondholder, and the Group's shareholding interests in Global Mastermind was diluted from 29.77% to 24.85%. As a result, the Group recognised the loss on deemed disposal of associate of HK\$3,323,000. In May 2021, the Group disposed of 62,195,000 shares in Global Mastermind at the aggregate consideration of HK\$123,839,000 (net of transaction costs) on the Exchange. Upon completing the disposal, the Group held 64,730,000 shares in Global Mastermind, representing 12.67% of the issued share capital of Global Mastermind, and Global Mastermind ceased to be an associate of the Company. Accordingly, the Group recognised the gain on disposal of associate of HK\$146,321,000, and the 64,730,000 shares in Global Mastermind have been accounted for as financial assets at FVTPL for financial reporting purposes. During the period from 1 January 2021 to 24 May 2021 (being the date on which Global Mastermind ceased to be an associate of the Company), Global Mastermind reported a profit of HK\$20,960,000 and the Group shared a profit of HK\$6,241,000 from Global Mastermind.

Future Prospects

The directors believe that the key risk of 2022 is the impact of Russia sanctions on the global economy. It is expected that the effect of the sanctions will come in the form of higher commodities prices, such as oil, gas, base metals, and grains. Higher commodities prices will fuel global inflation in 2022 and possibly in 2023. In addition, the sanctions will create complex policy trade-offs and further complicate the policy landscape as the global economy recovers from the COVID-19 pandemic. As a result, the global outlook for 2022 remains uncertain, and the directors expect periods of volatility in 2022.

The directors expect the global outlook for 2022 remains uncertain. However, the directors recognise that an uncertain outlook can coincide with a good opportunity to invest. As such, the directors will cautiously monitor the equity market, adjust the Group's equity securities portfolio from time to time, and realise the equity securities held by the Group into cash as and when appropriate in 2022.

Given the challenges faced by the global economy, the directors will adopt a more cautious approach in screening customers and approving new loans in order to reduce the Group's credit risk and continue to monitor the performance of the Group's loan portfolio closely, especially in the repayment and financial condition of each customer. The directors expect that the interest income on loans generated from the Group's money lending business in 2022 will remain the same as in 2021.

Due to the spread of the highly transmissible Omicron variants in the fourth quarter of 2021 in Europe and the United States, the Group's sale of jewelry saw a decrease in sales orders from its major markets in the first quarter of 2022. As such, the directors expect the performance of the Group's sale of jewelry products business will slightly improve in 2022 as compared to 2021.

As three blocks of three-storey residential serviced apartments will be complete and ready for the delivery of vacant possession in the third quarter of 2022, the directors expect the performance of the Group's property investment business will be improved in 2022. However, given that the development of the second and third phases of the Subject Land is already underway, the directors will put more effort and resources into the Group's property investment business to ensure the development of the second and third phases of the Subject Land completes as planned.

Due to the economic and market uncertainty, the directors remain cautious and watchful over the key risk for 2022 and its impact. Accordingly, the directors commit to leading the Group to weather the challenges and continue to monitor the business environment cautiously, and strengthen the Group's business foundation by focusing on its existing businesses.

Events after the End of the Reporting Period

Subsequent to 31 December 2021, the fair value of the Group's financial assets at FVTPL decreased from HK\$255,954,000 at 31 December 2021 to HK\$217,998,000 at the date of this results announcement.

Additional Information on Audit Qualifications

Audit qualifications

The Company's independent auditors, HLB Hodgson Impey Cheng Limited (“**HLB**”), have expressed a qualified opinion on the Group's consolidated financial statements for the year ended 31 December 2021. Such qualified opinion is related to (a) share of results of associates and gain on disposal of associate, and (b) corresponding figures in relation to interests in associates. Details of such qualified opinion are disclosed in the section headed “Basis for Qualified Opinion” under “EXTRACT OF THE INDEPENDENT AUDITORS' REPORT” above.

Executive directors' view on the audit qualifications

(a) Share of results of associates and gain on disposal of associate

The executive directors understand that this audit qualification was caused by the unavailability of accounting books and records of Safe2Travel, the principal subsidiary of Harvest Well, after the disposal of Harvest Well, a then wholly-owned subsidiary of Global Mastermind, by Global Mastermind to the HW Purchaser in August 2021.

The executive directors have obtained an understanding from the directors of Global Mastermind that, after the disposal of Harvest Well, the accounting books and records of Safe2Travel were maintained at Safe2Travel's office in Singapore, and part of accounting books and records relating to Safe2Travel which were retained by the Global Mastermind Group that were made available to HLB were not sufficient for the purposes of its audit of the consolidated financial statements of the Global Mastermind Group. According to the directors of Global Mastermind, they had taken all reasonable steps and used their best endeavours to request the HW Purchaser to provide assistance in Global Mastermind's audit procedures, but they were given to understand that the HW Purchaser had failed to procure the co-operation of the directors of Safe2Travel in the provision of documents and access to information for the purposes of the audit of the Global Mastermind Group's consolidated financial statements despite repeated demands. As a result, HLB was unable to obtain sufficient appropriate audit evidence to satisfy itself as to whether (i) the financial performance of Safe2Travel included in the financial performance of the Global Mastermind Group for the period from 1 January 2021 to 24 May 2021, and (ii) the carrying amounts of assets and liabilities of Safe2Travel included in the assets and liabilities of the Global Mastermind Group as at 24 May 2021 were free from material misstatements. Any adjustments that might have been found necessary to the financial performance of Safe2Travel for the period from 1 January 2021 to 24 May 2021 and the carrying amount of assets and liabilities of Safe2Travel as at 24 May 2021 might have material effects on the financial performance and financial position of the Global Mastermind Group for the period from 1 January 2021 to 24 May 2021 and as at 24 May 2021 upon which the Group has based its recognition of its share of profit and other comprehensive expense of the Global Mastermind Group and the gain on disposal of associate included in its consolidated statement of profit or loss and other

comprehensive income for the year ended 31 December 2021. Consequently, HLB was unable to obtain sufficient appropriate audit evidence to satisfy itself that the Group's share of results of associates and share of other comprehensive income of associates and the gain on disposal of associate presented in its consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021 and the related elements and disclosures thereof in the consolidated financial statements were free from material misstatements.

Having discussed with HLB, the executive directors concurred with HLB regarding the basis for this audit qualification relating to the share of results of associates and the gain on disposal of associate for the reasons set out above.

Following the disposal of 62,195,000 shares in Global Mastermind in May 2021, Global Mastermind ceased to be an associate of the Company on 24 May 2021. This audit qualification only relates to the Group's share of results of associates and share of other comprehensive income of associates and the gain on disposal of associates presented in its consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021 and the related elements and disclosures thereof in the consolidated financial statements. Therefore, the executive directors are of the view that (i) this audit qualification should not have any impact on the Group's consolidated financial position as at 31 December 2021 and should not have any carried forward effect on the Group's consolidated financial statements for the year ending 31 December 2022, and (ii) any modified opinion in the forthcoming year should only relate to the comparability of 2021 figures in the consolidated financial statements for the year ending 31 December 2022.

(b) Corresponding figures in relation to interests in associates

The independent auditors' report on the consolidated financial statements of the Group for the year ended 31 December 2020 contained the qualified opinion on the scope limitation concerning the Group's share of net assets of the Global Mastermind Group as at 31 December 2020 included in the carrying amount of the Group's interests in associates, and the Group's share of loss and other comprehensive income of the Global Mastermind Group for the year ended 31 December 2020 included in the Group's share of results of associates in the consolidated financial statements for the year ended 31 December 2020 due to the inability to obtain sufficient appropriate audit evidence on the causes of the SA Incidents, and commercial substance and nature of the Purported Payments to the Purported Three Parties and the Purportedly Unauthorised Cash Withdrawals. Any adjustments that might have been found necessary to the loss in respect of the SA Incidents of HK\$58,765,000 recognised in the consolidated profit or loss of the Global Mastermind Group for the year ended 31 December 2020 and the related elements in the consolidated financial statements of the Global Mastermind Group might have material effects on the financial performance of the Global Mastermind Group for the year ended 31 December 2020 and consequently, as the Group accounted for its interests in the Global Mastermind Group on an equity method of accounting basis, HLB was unable to obtain sufficient

appropriate audit evidence to satisfy itself that the Group's share of loss and other comprehensive expense of the Global Mastermind Group for the year ended 31 December 2020 included in the Group's share of results of associates and the related elements and disclosures in the consolidated financial statements were free from material misstatements. Accordingly, the auditors' opinion on the Group's consolidated financial statements for the year ended 31 December 2021 is also modified because of the possible effects of the matters described above on the comparability of the current year's and the corresponding figures.

Having discussed with HLB, the executive directors concurred with HLB regarding the basis for this audit qualification relating to the corresponding figures in relation to interests in associates for the reasons set out above.

Following the disposal of 62,195,000 shares in Global Mastermind in May 2021, Global Mastermind ceased to be an associate of the Company on 24 May 2021. Therefore, the executive directors are of the view that (i) the SA Incidents should not have any impact on the Group's consolidated financial position as at 31 December 2020 and should not have any carried forward effect on the Group's consolidated financial statements for the year ended 31 December 2021, and (ii) this audit qualification only relates to the comparability of the current year's and the corresponding figures of the Group's interests in associates in the consolidated financial statements for the year ended 31 December 2021.

Audit committee's view on the audit qualifications

The audit committee reviewed the information provided by the Company in respect of the basis for the audit qualifications relating to (a) share of results of associates and gain on disposal of associate and (b) corresponding figures in relation to interests in associates. The audit committee discussed the audit qualifications with HLB at the meeting of the audit committee held on 28 March 2022 and concurred with HLB regarding the basis for the audit qualifications.

At the board meeting held on 29 March 2022, the audit committee reported to and discussed the audit qualifications with the board of directors. The audit committee concurred with the executive directors' views.

Principal Risks and Uncertainties

A summary of the principal risks and uncertainties which may impact the Group's financial conditions, results of operations or future performance and how the Group to mitigate these risks is set out below.

This summary should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties faced by the Group, but rather those risks which the Group currently believes may have a significant impact on the Group's performance and future prospects.

<i>Principal risks</i>	<i>Description</i>	<i>Mitigating actions</i>
Strategic risk	Strategic risk is the risk that medium and long-term profitability and/or reputation of the Group could be adversely impacted by the failure either to identify or implement the correct strategy, or to react appropriately to changes in the business environment.	<ul style="list-style-type: none"> • Extensive investment management experience of the Board. • Regularly review on strategy and performance of each business unit. • Perform comprehensive due diligence on all potential acquisitions.
Economic risk	Economic risk is the risk of any downturn in economic conditions could impact the Group's performance through higher bad debts as a result of customers' inability to repay loans and lower asset values.	<ul style="list-style-type: none"> • Regularly review forward looking indicators to identify economic conditions.
Credit risk	Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.	<ul style="list-style-type: none"> • Fully understand customers and carry out credit quality assessment on customers before granting loans. • Regularly monitor loan receivables and assess for their recoverability. • Limit credit risk exposure by granting loan to any single customer of not more than 8% of the consolidated total assets of the Group. • Make rental contracts with tenants with an appropriate credit history.

<i>Principal risks</i>	<i>Description</i>	<i>Mitigating actions</i>
Liquidity risk	Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.	<ul style="list-style-type: none"> • Regularly monitor liquidity and statement of financial position. • Maintain appropriate liquidity to cover commitments. • Limit liquidity risk exposure by investing only in equity securities listed on stock exchanges. • Ensure acceptable and appropriate finance in place, or believed to be available before committing investment projects.
Price risk	Price risk is the risk that changes in equity prices will affect the Group's income and the value of its holdings of equities.	<ul style="list-style-type: none"> • Regularly monitor equity portfolio to address any portfolio issues promptly. • Spread price risk exposure by investing a number of equities.
Exchange risk	Exchange risk is the risk that changes in foreign exchange rates will affect the Group's income and the value of its holdings of assets.	<ul style="list-style-type: none"> • Closely monitor statement of financial position and cashflow exchange risk exposures and where considered appropriate use financial instruments, such as forward exchange contracts, foreign currency options and forward rate agreements, to hedge this exchange risk.

<i>Principal risks</i>	<i>Description</i>	<i>Mitigating actions</i>
People risk	People risk is the risk of loss of the services of any directors, senior management and other key personnel which could have a material adverse effect on the Group's businesses.	<ul style="list-style-type: none"> • Provide competitive reward and benefit packages that ensure our ability to attract and retain the employees the Group needs. • Ensure that the staff of the Group has the right working environment to enable them to do the best job possible and maximise their satisfaction at work.
Legal and regulatory risk	Legal and regulatory risk is the risk that a breach of laws and regulations could lead to litigation, investigations or disputes, resulting in additional costs being incurred, civil and/or criminal proceedings and reputational damage.	<ul style="list-style-type: none"> • Monitor changes and developments in the regulatory environment and ensure that sufficient resources being made available to implement any required changes. • Seek legal or other specialist advice as appropriate.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company complied with the code provisions of the Corporate Governance Code (the “Code”) as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2021, except for:

- (a) code provision A.2.1 of the Code requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the year ended 31 December 2021, Mr. Lei Hong Wai has taken up the roles of the Chairman of the Board and the Chief Executive Officer of the Company. Mr. Lei possesses essential leadership skills and has extensive experience in corporate management and business development. The Board is of the view that currently vesting the roles of the Chairman and the Chief Executive Officer in the same person provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies; and

- (b) code provision A.4.1 of the Code requires that non-executive directors should be appointed for a specific term, subject to re-election. All non-executive directors of the Company are not appointed for a specific term, but are subject to retirement from office by rotation and re-election in accordance with the provisions of the Company's bye-laws. At each annual general meeting, one-third of the directors for the time being, (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that every director shall be subject to retirement by rotation at least once every three years. As such, the Company considers that such provision is sufficient to meet the underlying objective of this code provision.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY 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 of the Listing Rules for securities transactions by the directors of the Company. Having made specific enquiry, all directors confirmed that they had complied with the required standard as set out in the Model Code throughout the year ended 31 December 2021.

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

During the year ended 31 December 2021, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

REVIEW OF FINANCIAL INFORMATION

The audit committee has reviewed this annual results announcement and the annual report of the Company for the year ended 31 December 2021 and agreed to the accounting policies and practices adopted by the Company.

By Order of the Board
Eternity Investment Limited
Lei Hong Wai
Chairman

Hong Kong, 29 March 2022

As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Lei Hong Wai, Mr. Cheung Kwok Wai Elton, Mr. Chan Kin Wah Billy, and Mr. Cheung Kwok Fan; and three independent non-executive directors, namely, Mr. Wan Shing Chi, Mr. Ng Heung Yan, and Mr. Wong Tak Chuen.