Central New Energy Holding Group Limited
中環新能源控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1735

2023 ANNUAL REPORT

CONTENTS

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Yu Zhuyun *(Chairman and Chief Executive Officer)*
Mr. Li Menglin

Non-executive Directors

Mr. Qiao Xiaoge
Ms. Zhu Yujuan

Independent non-executive Directors

Dr. Li David Xianglin
Mr. Wang Wenxing
Dr. Zhou Chunsheng

AUDIT COMMITTEE

Mr. Wang Wenxing *(Chairperson)*
Mr. Qiao Xiaoge
Dr. Li David Xianglin

REMUNERATION COMMITTEE

Dr. Li David Xianglin *(Chairperson)*
Ms. Zhu Yujuan
Dr. Zhou Chunsheng

NOMINATION COMMITTEE

Mr. Yu Zhuyun *(Chairperson)*
Mr. Wang Wenxing
Dr. Zhou Chunsheng

SENIOR MANAGEMENT

Mr. Yu Zhuyun *(Chief Executive Officer)*
Mr. Li Bei *(Vice President)*
Ms. Hu Longzhi *(Chief Financial Officer)*

COMPANY SECRETARY

Mr. Tung Tat Chiu, Michael *(appointed on 3 May 2023)*
Mr. Lam Ka Tsun *(resigned on 3 May 2023)*

AUTHORISED REPRESENTATIVES

Mr. Yu Zhuyun
Mr. Tung Tat Chiu, Michael *(appointed on 3 May 2023)*
Mr. Lam Ka Tsun *(resigned on 3 May 2023)*

REGISTERED OFFICE IN CAYMAN ISLANDS

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2102–03 & 10–12
21/F, K. Wah Centre
191 Java Road
North Point
Hong Kong

LEGAL ADVISER AS TO HONG KONG LAW

Tung & Co.
Office 1601, 16/F, LHT Tower
31 Queen's Road Central
Central
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F
148 Electric Road
North Point
Hong Kong

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31st Floor, Gloucester Tower
The Landmark
11 Pedder Street, Central
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
The Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited

COMPANY WEBSITE

www.centralenergy.cn

STOCK CODE

1735

Chairman's Statement

責任源自內心

YU ZHUYUN
Chairman

Chairman's Statement

Dear Shareholders,

On behalf of the board (the "**Board**") of directors ("**Director(s)**") of Central New Energy Holding Group Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), I would like to present to shareholders of the Company ("**Shareholders**") the annual report of the Group for the year ended 31 December 2023 (the "**Reporting Year**").

REPORTING YEAR REVIEW

In 2023, in the midst of global economic slowdown, intensifying climate change impact and growing market uncertainties, the Group demonstrated its strong resilience and innovation in the complicated and ever-changing international market through its firm conviction and forward-looking strategies.

As confronted by numerous uncertainties in the global environment, the Group has consistently adhered to the core philosophy of "responsibility at the heart", and unremittingly practised the concept of sustainable development. On one hand, the Group staunchly pursued the path of green development. In an active response to the national call, the Group strode towards high-end manufacturing during its transformation under the "dual carbon" goal. On the other hand, following years of ample research and market development, the Group, with a forward-looking strategic acumen, has actively explored the path of low-carbon transformation, making due contributions to the global green and low-carbon development.

During the Reporting Year, the Group reached an important milestone. With the full production capacity of 2GW photovoltaic components and 6GW photovoltaic battery production, the Group achieved full-capacity operation, while sales of N-type batteries and photovoltaic components manifested strong growth momentum. The Group persisted in delivering reliable and efficient products and services to customers, while continuing to improve product quality. As a result, the Group's product conversion efficiency, stability, and quality were recognised by customers and professional institutions. In terms of smart energy management services, the Group focused on fully satisfying customers' requirements and expectations, by closely keeping abreast of technological innovation and industrial development, and quickly responding to and fulfilling the diverse needs of customers.

In 2023, the Group was committed to implementing efficient governance measures to create sustainable value for Shareholders and stakeholders. The Group paid attention to employee welfare, providing employees with an equal, safe, healthy, and harmonious workplace to promote their career development. Taking it as the Group's responsibility to practise sincere social responsibility, the Group actively participated in social welfare undertakings, and empowered education, charity and poverty alleviation to benefit the public, spreading warmth to society with the Group's goodwill.

This year, the Group will disclose an Environmental, Social, and Governance ("**ESG**") report in strict compliance with the reporting framework of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**"). In a fair, transparent and balanced manner, the Group will introduce to the Shareholders the measures taken and achievements made by the Group in the ESG aspects over the Reporting Year.

The Group will consistently deliver the national "dual carbon" commitment through practical actions, maintain the Group's original goodwill towards the market, society and customers, and steadily advance towards a future of high-quality sustainable development. The Group is willing to join forces with partners and stakeholders to contribute green power to the global effort to address climate change and safeguard a healthy ecosystem, shaping a more sustainable future together. The Group firmly believes that the extensive applications of solar energy will enable it to bring well-being to mankind. With solar energy amassed and well utilised, the Group will build a bright future.

YU Zhuyun
Chairman
Hong Kong, 16 March 2024

Management Discussion and Analysis

BUSINESS REVIEW

The construction business environment in which the Group operates in both Hong Kong and the People's Republic of China ("**PRC**") remains tough and the Group faces various challenges including low bidding price on tenders, increased costs and limited market potential in both Hong Kong and the PRC. The Group is prudent in managing its green building and construction related business operations and evaluating business development opportunities to diversify the revenue sources and therefore the Group can minimise possible exposure to the uncertainties in both Hong Kong and the PRC markets.

Since 2022, the Company has planned to invest in the construction of the 22GW of high efficiency N-type battery and the 6GW of advanced component and to commence the production and supply business in Fengtai County. The total investment is expected to occupy around 800–1,200 mu of land.

As at the end of the Reporting Year, phase I construction of the 2GW component and the 3GW battery project and phase II construction of the 3GW battery project were completed and put into production in 2023. Phase III construction of the 8GW battery and the 8GW component project is expected to be completed by the end of 2024.

The Group seeks to seize the green building and new green energy business opportunities in order to obtain higher returns for the Shareholders. The Group is also committed to respond to the national policies with the concept of carbon neutrality by further implementing green building and construction through use of scientific management and technical improvement to achieve low carbon and green environmental protection. The Group is devoted to combine its existing building and construction related business to practise the concept of green development through photovoltaic new power generation system and energy storage technology to create an energy-saving and sustainable living environment.

During the Reporting Year, the Group had gradually expanded the business of new energy and engineering, procurement and construction ("**EPC**"). Satisfactory performance was recorded during the Reporting Year.

During the Reporting Year, the Group was principally engaged in the business of (i) green building and construction related business; (ii) new energy and EPC; (iii) smart energy management services; (iv) health and wellness; and (v) food and beverage ("**F&B**") supply chain. The Group seeks to achieve synergistic value amongst the segments in order to obtain higher returns and greater business opportunities for the Group.

Green building and construction related business

During the Reporting Year, the revenue from green building and construction related business segment was approximately HK$1,349.4 million (the year ended 31 December 2022 ("**Previous Reporting Year**"): approximately HK$852.7 million), which accounted for approximately 33.5% (Previous Reporting Year: approximately 52.8%) of the Group's total revenue. This segment recorded an increase in revenue mainly due to strong growth in sales volume of construction materials during the Reporting Year.

New energy and EPC

During the Reporting Year, the Group gradually expanded the new business of new energy and EPC and this segment recorded a revenue of approximately HK$2,119.6 million (Previous Reporting Year: approximately HK$58.6 million), which accounted for approximately 52.6% (Previous Reporting Year: approximately 3.6%) of the Group's total revenue. The increase was mainly due to strong growth in sales volume of photovoltaic products and in line with the full capacity of the 2GW photovoltaic components and the 6GW photovoltaic battery production during the Reporting Year.

Smart energy management services

During the Reporting Year, the revenue in smart energy management services segment was approximately HK$16.0 million (Previous Reporting Year: approximately HK$19.7 million), which accounted for approximately 0.4% (Previous Reporting Year: approximately 1.2%) of the Group's total revenue. The decrease was mainly due to fewer smart energy-saving lighting works for projects in Yangzhou and Hefei in the PRC during the Reporting Year.

Health and wellness

Health and wellness business includes provision of health and wellness services, which include the healthcare consulting and supplying of healthcare products, green food and beauty products. During the Reporting Year, the revenue in health and wellness business was approximately HK$409.9 million (Previous Reporting Year: approximately HK$484.0 million), which accounted for approximately 10.2% (Previous Reporting Year: approximately 30.0%) of the Group's total revenue. The decrease was mainly due to lower sales volume of green food products, which is consistent with the Group's strategy to put more resources in the new energy and EPC segment during the Reporting Year.

F&B supply chain

F&B supply chain includes supply chain services of agriculture products, frozen meats and other F&B materials. During the Reporting Year, the revenue from F&B supply chain segment was approximately HK$133.4 million (Previous Reporting Year: approximately HK$198.7 million), which accounted for approximately 3.3% (Previous Reporting Year: approximately 12.3%) of the Group's total revenue. The decrease is consistent with the Group's business strategy to put more resources in the new energy and EPC segment during the Reporting Year.

FUTURE PLANS AND PROSPECTS

The Group will continue to seek new green energy business opportunities, and to develop its high-efficiency N-type battery and advanced photovoltaic component supply business in Fengtai County and Tongcheng City. Phase III construction of the 8GW battery in Fengtai County is expected to be completed and put into production in the fourth quarter of 2024.

Subsequent to the entering into by the Group of certain strategic cooperation agreements for joint cooperation in photovoltaic equipment supply and photovoltaic power station construction, or joint development in the fields of clean energy and integrated smart energy, technical services and supply chain (as the case may be) in the section headed "Future Plans and Prospects" in the interim report published by the Company on 26 September 2023, it has also entered into strategic and investment cooperation agreements for joint cooperation in the low-carbon smart factory/park business or joint development in zero carbon park in the PRC, upon the Board's belief that such cooperation will allow the Group to leverage its experience and capabilities in the low carbon smart factory/park market, thereby realising the green energy business of the Group. For details, please refer to the announcements of the Company dated 13 December 2023 and 10 January 2024. In particular, as disclosed in its announcement dated 22 May 2023 and circular dated 25 August 2023, the Group's acquisition of equipment mainly for the purpose of setting up five production lines for photovoltaic TOPCon battery would allow the Group to tap into the photovoltaic business and diversify its business operations.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The Group's revenue for the Reporting Year amounted to approximately HK$4,028.3 million, i.e. about 149.6% more than that of approximately HK$1,613.6 million for the Previous Reporting Year. The improvement was primarily due to the net increase in revenue from the new energy and EPC segment, which amounted to approximately HK$2,119.6 million, which was driven by strong growth in sales volume of N-Type battery and photovoltaic components during the Reporting Year (Previous Reporting Year: approximately HK$58.6 million).

	Year ended 31 December 2023 HK$'000	Year ended 31 December 2022 HK$'000
Green building and construction related business	**1,349,387**	852,663
New energy and EPC	**2,119,585**	58,594
Smart energy management services	**16,055**	19,718
Health and wellness	**409,875**	483,997
F&B supply chain	**133,397**	198,669
	4,028,299	1,613,641

Gross Profit and Gross Profit Margin

The Group's gross profit for the Reporting Year amounted to approximately HK$172.8 million, representing an increase of approximately 455.6% as compared with approximately HK$31.1 million for the Previous Reporting Year. The increase was mainly due to the increase in sales of N-Type battery and photovoltaic components as a result of the full capacity of the 2GW component and the 6GW battery production during the Reporting Year in the new energy and EPC segment.

Other Income and Gains

The Group's other income and gains for the Reporting Year amounted to approximately HK$18.8 million, representing a decrease of approximately 50.4% as compared with approximately HK$37.9 million for the Previous Reporting Year. The decrease was mainly due to the decrease in gain on disposal of subsidiaries during the Reporting Year.

Administrative and Other Operating Expenses

The Group's administrative and other operating expenses for the Reporting Year amounted to approximately HK$81.0 million, representing a decrease of approximately 3.0% as compared with approximately HK$83.5 million for the Previous Reporting Year. The decrease was mainly due to reversal of impairment loss on trade and other receivables during the Reporting Year.

Income Tax (Expense)/Credit

The Group's income tax expense for the Reporting Year amounted to approximately HK$11.6 million (for the Previous Reporting Year: income tax credit of approximately HK$0.7 million). Such increase was in line with the increase in profit during the Reporting Year.

Net Profit/(Loss)

The Group reported a net profit for the Reporting Year of approximately HK$71.3 million, while the Group reported a net loss of approximately HK$30.3 million for the Previous Reporting Year. The turnaround from net loss to net profit was primarily attributable to (i) an increase in turnover; (ii) an increase in sales volume in the new energy and EPC segment; (iii) a fair value gain on investment properties through profit and loss; (iv) reversal of loss allowance on trade and other receivables; and (v) gain on disposal of subsidiaries, for the Reporting Year as compared with the Previous Reporting Year.

Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA")

Non-HKFRS measures are to supplement the Group's financial results which are presented in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**"). EBITDA is used as an additional financial measure. The Group believes that non-HKFRS measures provide useful information to investors and others to understand and evaluate the Group's consolidated results for the purpose of comparison across accounting periods and with those of its peer companies.

The following table sets forth the Group's non-HKFRSs financial data for the Reporting Year and the Previous Reporting Year:

	Year ended 31 December 2023 HK$'000	Year ended 31 December 2022 HK$'000
Profit/(loss) for the year	**71,289**	(30,328)
Interest income	**(1,381)**	(158)
Finance costs	**25,190**	5,520
Taxation	**11,564**	(682)
Depreciation	**18,696**	9,308
Amortisation	**–**	–
EBITDA	**125,358**	(16,340)

EBITDA for the Reporting Year amounted to a profit of approximately HK$125.4 million as compared with a loss of approximately HK$16.3 million for the Previous Reporting Year.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Reporting Year, the Group funded its liquidity and capital requirements primarily through capital contributions and cash inflow generated from operating activities.

As at the end of the Reporting Year, the Group had cash and bank balances of approximately HK$137.4 million (Previous Reporting Year: approximately HK$614 million). The decrease was mainly due to an amount of approximately HK$500 million was used for (i) the development of phase II of the photovoltaic project and (ii) collaterals for bank borrowings.

As at the end of the Reporting Year, the Group had borrowings of approximately HK$1,121.3 million (Previous Reporting Year: approximately HK$499.7 million). The increase was mainly due to the increase in the bank borrowings of approximately HK$555.6 million used for the development of phase II of the photovoltaic project.

As at the end of the Reporting Year, the share capital and equity attributable to owners of the Company amounted to approximately HK$2.6 million and HK$847.9 million, respectively (Previous Reporting Year: approximately HK$2.6 million and HK$185.7 million, respectively).

The current ratio remained at 1.1 times during the Reporting Year (Previous Reporting Year: 1.3 times).

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as the debts as at each year end divided by the total equity as at each year end. The gearing ratio of the Group as at the end of the Reporting Year was approximately 85.66% (Previous Reporting Year: approximately 267.3%).

Capital Structure

On 6 November 2023, the Board proposed to subdivide each issued and unissued share of the Company ("**Share(s)**") of HK$0.0025 into four (4) subdivided Shares of HK$0.000625 each (the "**Share Subdivision**").

Pursuant to an ordinary resolution passed on 20 December 2023, the Share Subdivision was approved by the Shareholders and became effective on 22 December 2023. Upon the Share Subdivision becoming effective, the authorised share capital of the Company is HK$50,000,000 divided into 80,000,000,000 subdivided Shares, of which 4,224,000,000 subdivided Shares are in issue and fully paid or credited as fully paid.

For details of the Share Subdivision, please refer to the announcements of the Company dated 6 November 2023, 20 December 2023 and 21 December 2023, and its circular dated 30 November 2023.

Foreign Exchange Risk

The Group mainly operates in Hong Kong and the PRC in 2023. Accordingly, all operating transactions and revenue are settled in Hong Kong dollars and Renminbi, subjecting the Group to foreign exchange risk. The Group has actively taken various measures to manage foreign exchange risk.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Reference is made to the announcement of the Company dated 29 May 2023 (the "**Disposal Announcement**"). Unless otherwise stated, capitalised terms used below shall have the same meanings as those defined in the Disposal Announcement. On 29 May 2023, Central Green, an indirect wholly-owned subsidiary of the Company, and the Target Company, the then indirect wholly-owned subsidiary of the Company immediately prior to Completion, entered into the Equity Subscription and Investment Agreement with the Investor, pursuant to which the Investor agreed to invest in the Target Company an aggregate amount of RMB700,000,000 (equivalent to approximately HK$777,000,000), which comprised (i) the conversion of the Loan in the amount of RMB350,000,000 (equivalent to approximately HK$385,000,000) owing by the Target Company to the Investor into the Conversion Capital of RMB350,000,000 (equivalent to approximately HK$385,000,000); and (ii) the subscription of RMB350,000,000 (equivalent to approximately HK$385,000,000) as the Additional Capital by way of cash contribution, representing approximately 46.67% of the enlarged registered capital of the Target Company.

Upon Completion, the Target Company would be owned as to approximately 53.33% by Central Green and approximately 46.67% by the Investor. Accordingly, the Group's equity interest in the Target Company would be diluted from 100% to approximately 53.33% as a result of the Investment. Following the Deemed Disposal, the Target Company would become an indirect non-wholly owned subsidiary of the Company and its financial results would continue to be consolidated in the Group's accounts.

For details, please refer to the Disposal Announcement.

Save as disclosed above, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures during the Reporting Year.

CHARGES ON ASSETS

Save as disclosed in Notes 14, 16, 20, 25 and 33 to the Financial Statements, the Group did not have any significant charges on its assets as at 31 December 2023.

SIGNIFICANT INVESTMENT

The Group did not hold any significant investments during the Reporting Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific future plan for material investments or capital assets as at 31 December 2023.

EMPLOYEES

The Group had 1,469 employees (including full-time and casual employees who are paid on a daily basis) as at 31 December 2023 (Previous Reporting Year: 639). Total staff costs including Directors' emoluments, salaries, wages and other staff benefits, contributions and retirement schemes, provisions for staff long service payment and untaken paid leave for the Reporting Year amounted to approximately HK$52.4 million (Previous Reporting Year: approximately HK$43.2 million). The remuneration policy and package of the Group's employees are periodically reviewed. Apart from mandatory provident fund and job training programs, salary increment and discretionary bonuses may be awarded to employees upon approval by the Board according to the Group's operating results, individual performance and market situation.

CAPITAL COMMITMENTS

The Group had capital commitments for an acquisition of property, plant and equipment amounted to approximately HK$418.1 million as at 31 December 2023 (Previous Reporting Year: nil).

CONTINGENT LIABILITIES

Subsidiaries of the Company are involved in a number of potential claims relating to employees' compensation cases and personal injury claims as well as summonses for safety-related incidents in the ordinary course of business as at the date of this annual report. The Directors considered that the possibility of any outflow in settling (i) the potential personal injury claims were remote as these claims were well covered by insurance; and (ii) the summonses will be insignificant to the business of the Group. Accordingly, no provision for the contingent liabilities in respect of the potential personal injury claims and the summonses is necessary after due consideration of each case.

USE OF PROCEEDS FROM THE LISTING

On 8 July 2021, the Board resolved to change the use of the remaining unutilised net proceeds (the "**Net Proceeds**") from the initial public offering of the Company. For details of such change, please refer to the announcement of the Company dated 8 July 2021.

The table below sets out the use of the Net Proceeds and the unutilised amount as at 31 December 2023:

	Original use of the Net Proceeds HK$'000	Revised use of the Net Proceeds HK$'000	Actual use of the Net Proceeds during the Reporting Year HK$'000	Unutilised amount as at 31 December 2023 HK$'000
Hiring of additional staff	11,600	11,600	11,600	–
Acquisition of additional machinery and equipment	54,900	54,900	54,900	–
General working capital	7,000	7,000	7,000	–
Total	**73,500**	**73,500**	**73,500**	**–**

The Net Proceeds have all been utilised according to the intended uses during the Reporting Year.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the Reporting Year (Previous Reporting Year: Nil).

CHANGE OF COMPANY NAME, SHORT STOCK NAMES AND COMPANY WEBSITE

Subsequent to the passing of a special resolution approving the change of company name by the Shareholders by way of poll at the extraordinary general meeting held on 20 April 2023, the Certificate of Incorporation on Change of Name was issued by the Registry of Companies in the Cayman Islands on 25 April 2023, certifying that the Company has changed its English name from "Central Holding Group Co. Ltd." to "Central New Energy Holding Group Limited" and the adoption of the Chinese name "中環新能源控股集團有限公司" as the new dual foreign name of the Company in place of its existing Chinese name "中環控股集團有限公司", both with effect from 25 April 2023.

The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Companies Registry in Hong Kong on 12 May 2023, confirming the registration of the new name of the Company "Central New Energy Holding Group Limited 中環新能源控股集團有限公司" in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) with effect from 12 May 2023.

The stock short names for trading in the Shares on the Stock Exchange were changed from "CENTRAL HOLDING" to "CENTRAL NEW EGY" in English and from "中環控股" to "中環新能源" in Chinese with effect from 9:00 a.m. on 2 June 2023.

The website address of the Company was changed from "www.chghk.com" to "www.centralenergy.cn" with effect from 11 September 2023.

For details, please refer to the announcements of the Company dated 13 March 2023, 20 April 2023, 29 May 2023 and 11 September 2023, and its circular dated 28 March 2023.

Biographies of Directors and Senior Management

Biographical details of the Directors and senior management of the Company are set out as follows:

EXECUTIVE DIRECTORS

Mr. Yu Zhuyun (余竹雲), aged 51, has been an executive Director and the chairman of the Board (the "**Chairman**") since October 2019, and was appointed as the chief executive officer (the "**CEO**") in April 2020. Mr. Yu is an entrepreneur with over 15 years of experience primarily in the property development and investment industry in the PRC. He founded Anhui Central Holding Group Co., Ltd.* (安徽中環控股集團有限公司) ("**Anhui Central**") in 2004, which has now developed into a diversified enterprise engaging in a variety of businesses, including real estate development, commercial property leasing, environmentally friendly construction, cultural and creative business, smart logistics and trade development, as well as health and wellness business in the PRC. He is currently serving as the chairman of the board of directors of Anhui Central.

Mr. Yu is a standing committee member of the All-China Youth Federation (中華全國青年聯合會), a council member of the China Society for Promotion of the Guangcai Program (中國光彩事業促進會), a council member of the China Young Volunteers Association (中國青年志願者協會), a standing council member of the China Mergers & Acquisitions Association (中國併購公會), the vice president of the Anhui Federation of Industry and Commerce (安徽省工商業聯合會), a member of the Anhui Provincial Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議安徽省委員會), the vice president of the Anhui Youth Federation (安徽省青年聯合會), a standing council member of the Anhui Overseas Friendship Association (安徽省海外聯誼會), and the honorary president of the Anhui Federation of Overseas Chinese Entrepreneurs (安徽省僑商聯合會).

Mr. Yu obtained a Master of Business Administration from Hong Kong Baptist University in November 2007. He further obtained an Executive Master of Business Administration from Cheung Kong Graduate School of Business (長江商學院) in the PRC in September 2013.

Mr. Li Menglin (李夢琳), aged 67, has been an executive Director since April 2020. Mr. Li has extensive experience in the banking and financial services sectors in the PRC. During the period from April 1998 to September 2017, he held various senior positions at the Anhui provincial branch of the Industrial and Commercial Bank of China, including the president of Anqing branch, chief of the education department, chief manager of real estate financing department, head of stock reform office, chief manager of company services II department, and manager and senior manager of small-sized enterprises financing department. From September 2017 to July 2019, he served as the chairman of the board and the president of Anhui Xin'an Bank* (安徽新安銀行), and has been serving as a consultant of Anhui Xin'an Bank since June 2019.

Mr. Li received the awards of Model Individual in Consumer Credits Management Works of 2005* (2005年度中國工商銀行消費信貸管理工作先進個人), Annual Excellent Performance by the Anhui Provincial Branch of the Industrial and Commercial Bank of China* (中國工商銀行省行本部年度考核優秀等次) in 2007, 2013 and 2015 and Model Worker in the Innovative Work in the Finance Sector in Anhui Province of 2010* (2010年度安徽省金融創新工作先進個人).

Mr. Li obtained a Bachelor of Economics in Finance awarded by Anhui University of Finance and Economics in July 1982. He was awarded a Master of Business Administration (International) by the University of Hong Kong in December 2003 in the IMBA Programme co-organised by the University of Hong Kong and Fudan University (復旦大學) in the PRC.

Biographies of Directors and Senior Management

NON-EXECUTIVE DIRECTORS

Mr. Qiao Xiaoge (喬曉戈), aged 57, has been a non-executive Director since October 2019. Mr. Qiao is experienced in the field of real estate development and construction. During the period from March 2000 to November 2003, he served as a deputy general manager of the predecessor company of Wanda Commercial Properties (Group) Co., Ltd.* (萬達商業地產(集團)有限公司), a private property developer. He then served as a vice president of Sunac Huabei Development Group Co., Ltd.* (融創華北發展集團有限公司), a company principally engaged in real estate development and commercial property leasing, from January 2004 to June 2006. He has been serving as the president of Anhui Central since August 2011.

Mr. Qiao graduated from Hefei University (合肥學院) in the PRC in July 1991.

Ms. Zhu Yujuan (朱玉娟), aged 45, has been a non-executive Director since October 2019. Ms. Zhu joined Anhui Central in February 2009. She had served in various positions in Anhui Central, including general manager of the administrative and human resources management center and assistant to the president. She is currently serving as a vice president of Anhui Central.

Ms. Zhu graduated from Hefei University of Technology (合肥工業大學) and the Institute of Psychology of the Chinese Academy of Sciences (中國科學院心理研究所) in the PRC in January 2009 and February 2011, respectively.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Li David Xianglin (李祥林), aged 61, has been an independent non-executive Director since October 2019. Dr. Li is currently a professor of finance at the Shanghai Advanced Institute of Finance (上海高級金融學院), an associate dean, the director of the risk management research center (風險管理研究中心) and the director of the FinTech Research Center (金融科技研究中心) of the Chinese Academy of Financial Research (中國金融研究院), and a co-director of the Master of Finance program in Shanghai Jiao Tong University (上海交通大學) in the PRC. Prior to joining Shanghai Jiao Tong University (上海交通大學), he had served in leading financial institutions for more than two decades. He was the head of global credit derivatives research of Citigroup from October 2001 to June 2004, the head of quantitative analysis of credit derivatives of Barclays Capital from June 2004 to April 2008, the chief risk officer of China International Capital Corporation Limited from May 2008 to January 2012, the director of senior management and the head of modeling for AIG Investments from January 2012 to March 2016, and the senior vice president of investment and the person-in-charge of the risk analytics and methodology department of Prudential Financial, Inc. from March 2016 to December 2017.

Dr. Li obtained a Master of Business Administration from Laval University in Canada in May 1991. He further obtained a Master of Mathematics (Actuarial Science) and a Doctor of Philosophy (Statistics) from the University of Waterloo in Canada in May 1992 and October 1995, respectively.

Dr. Li has served as an independent non-executive director of Lufax Holding Ltd, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 6623), since 2021.

Mr. Wang Wenxing (王文星), aged 55, has been an independent non-executive Director since October 2019.

Mr. Wang is currently serving as a senior tax consultant of Triangle Accounting Limited and an international tax consultant of Mind & Sun Partners in Shanghai. He has also been serving as a senior partner, the chief accountant and the quality control director of Anthony Chen CPA, PLLC since February 2009. During the period from May 1995 to March 2003, he served as a project manager in the Guangzhou Branch of the China Council for the Promotion of International Trade (中國國際貿易促進委員會廣州市分會)(also known as the Guangzhou Chamber of Commerce of the China International Chamber of Commerce (中國國際商會廣州市商會)). He was the chief tax accountant of the high net value business department of AIA China from April 2015 to June 2017.

Mr. Wang obtained a Master of Science from the City University of New York in the United States in February 2008. He has been enrolled to practice before the Internal Revenue Service of the Department of the Treasury of the United States since November 2010.

Mr. Wang has served as an independent non-executive director of Silver Tide Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1943), since 2022.

Biographies of Directors and Senior Management

Dr. Zhou Chunsheng (周春生), aged 58, has been an independent non-executive Director since October 2019.

Dr. Zhou is currently a professor of Cheung Kong Graduate School of Business (長江商學院) in the PRC. He has served as an independent non-executive director of Pine Technology Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1079), since 2017, an independent non-executive director of Transfar Zhilian Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 002010), a director of Nanda Automation Technology Jiangsu Co., Ltd, a company then listed on the National Equities Exchange and Quotations Co., Ltd. (stock code: 834876), and an independent non-executive director of Kunwu Jiuding Investment Holdings Co., Limited ("**Kunwu Holdings**"), a company listed on the Shanghai Stock Exchange (stock code: 600053). The Company was notified on 8 October 2021 that an announcement was made by Kunwu Holdings on 25 September 2021 in relation to, among other things, the receipt of a decision on administrative supervision measures 《(中國證券監督管理委員會江西監管局行政監管措施決定書》) from Jiangxi Regulatory Bureau of China Securities Regulatory Commission ("**CSRC**") (中國證券監督管理委員會江西監管局) by Kunwu Holdings and the secretary to the board of directors of Kunwu Holdings. To the Directors' best knowledge, information and belief, Dr. Zhou is not involved in the day-to-day management of Kunwu Holdings, and has not been subject to any sanction, administrative penalty or criticism by the CSRC and the Shanghai Stock Exchange. For further details, please refer to the announcement of the Company dated 11 October 2021. He has also been a director of Guanghua Tiancheng Investments Co., Ltd. since March 2007, and an independent non- executive director of Hua Chuang Securities Brokerage Co., Ltd. and China Southern Fund Management Co., Ltd. since June 2007.

Dr. Zhou served as an independent non-executive director of Zhonghong Holdings Co., Limited ("**Zhonghong Holdings**"), a company then listed on the Shenzhen Stock Exchange (stock code: 000979), from May 2008 to April 2020. The Board was informed by Dr. Zhou on 23 October 2019 that Zhonghong Holdings, a company of which Dr. Zhou has been serving as an independent non-executive director, received an Investigation Notice (《調查通知書》) from the CSRC on 14 August 2018. To the best knowledge, information and belief of the Board, Dr. Zhou is not involved in the day-to-day management of Zhonghong Holdings, and has not been subject to any censure, administrative penalty or criticism by the Shenzhen Stock Exchange and the CSRC. For further details, please refer to the announcement of the Company dated 25 October 2019. Dr. Zhou also served as an independent non-executive director of China ITS (Holdings) Co., Ltd., the shares of which are listed on the Stock Exchange (stock code: 1900), from September 2008 to June 2018, an independent non-executive director of Green Leader Holdings Group Limited, the shares of which are listed on the Stock Exchange (stock code: 61), from June 2013 to August 2019, an independent non-executive director of Guosheng Financial Holding Inc., a company listed on the Shenzhen Stock Exchange (stock code: 002670), from July 2015 to April 2020, and an independent director of Leshan City Commercial Bank from August 2012 to January 2019.

Dr. Zhou was an economist of the U.S. Federal Reserve Board from April 1995 to September 1997, where he was responsible for the analysis, control and management of financial risks, an assistant professor at the University of California (Riverside) from September 1997 to April 2001, an associate professor of the Business School of the University of Hong Kong from July 2000 to July 2001, a commissioner of the Development and Strategy Committee of the CSRC (中國證券監督管理及規劃委員會委員) from April 2001 to December 2001, and a finance professor of the Guanghua School of Management at Peking University (北京大學) from July 2001 to December 2006.

Dr. Zhou obtained a Master of Science from Peking University (北京大學) in the PRC in July 1988, and a Doctor of Economics from Princeton University in the United States in May 1995.

Biographies of Directors and Senior Management

SENIOR MANAGEMENT

Mr. Li Bei (李鋇), aged 47, has been the vice president of the Group since 2022. In his current role, Mr. Li is responsible for the decision- making of the major issues, development planning and business policy of the Group, meanwhile he is tasked with the preparation and operation of the photovoltaic project in Fengtai. He has nearly 22 years of working experience, and has been working in China Parkson Group, Shanghai Shimao Co., LTD., and CMC Holdings Group, covering diversified investment directions. He has rich investment experience in listed companies of various fields, including retail/FMCG, commercial real estate, industrial real estate and new energy photovoltaic industry. Mr. Li graduated from the University of Science and Technology Beijing and majored in management in 2000.

Ms. Hu Longzhi (胡龍芝), aged 48, was the financial controller of the Group since 2019 and was subsequently promoted to the chief financial officer of the Group in 2023. She is currently tasked with the Group's corporate affairs and overall management of the financial management center. She has more than 15 years of experience in auditing, financing and financial management of listed companies. Meanwhile, she has a comprehensive financial knowledge system, including financial and tax policy, operation analysis, budget management, cost control and accounting. During Ms. Hu's tenure, she has improved and standardised the Group’s financial control system, established and enhanced the Group’s financing system and financing model.

Mr. Tung Tat Chiu (佟達釗), aged 61, was appointed as the company secretary of the Company (“**Company Secretary**") on 3 May 2023. Mr. Tung is the senior partner of Tung & Co., the Company’s legal advisers as to Hong Kong laws. He holds a Bachelor of Arts degree in law and accounting from The University of Manchester, the United Kingdom. He has over 30 years of experience as practising lawyer in Hong Kong. He is also a China-Appointed Attesting Officer. Mr. Tung currently serves as a joint company secretary of Jiangxi Copper Company Limited (stock code: 358), Harbin Electric Company Limited (stock code: 1133) and Qingling Motors Co. Ltd (stock code: 1122), respectively, and as the sole company secretary of Quantum Thinking Limited (stock code: 8050) and NOVA Group Holdings Limited (stock code: 1360), respectively. He is an external service provider engaged by the Company to provide company secretarial services.

English translation of names in Chinese which is marked with “” in this annual report is for identification purposes only.*

Directors' Report

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the Reporting Year (the "**Financial Statements**").

CORPORATE REORGANISATION

The Company was incorporated in the Cayman Islands with limited liability on 29 March 2017. The Company completed the corporate reorganisation (the "**Reorganisation**") on 8 March 2018 in preparation for the listing of the Shares on the Main Board of the Stock Exchange, pursuant to which the Company became the holding company of the companies now comprising the Group. Details of the Reorganisation are set out in the section headed "History and Development — Reorganisation" in the prospectus of the Company dated 19 March 2018.

The Company has a principal place of business in Hong Kong at Unit 2102–03 & 10–12, 21/F, K. Wah Centre, 191 Java Road, North Point, Hong Kong.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 12 to the Financial Statements.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries during the Reporting Year are set out in Note 12 to the Financial Statements.

BUSINESS REVIEW

The business review and outlook of the Group for the Reporting Year are set out in the section headed "Management Discussion and Analysis" in this annual report.

SEGMENTAL INFORMATION

Details of segment reporting are set out in Note 5 to the Financial Statements.

RESULTS

The results of the Group for the Reporting Year and the financial position of the Group as at 31 December 2023 are set out in the Financial Statements on pages 72 to 74 of this annual report.

FINAL DIVIDENDS

The Board did not recommend the payment of a final dividend for the Reporting Year (Previous Reporting Year: Nil).

ANNUAL GENERAL MEETING

The annual general meeting (the "**AGM**") of the Company will be held in the manner required under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") on Friday, 28 June 2024. A notice convening the AGM will be issued and sent to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlement to attend and vote at the AGM to be held on Friday, 28 June 2024, the register of members of the Company will be closed from Tuesday, 25 June 2024 to Friday, 28 June 2024, both days inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Monday, 24 June 2024.

KEY RISKS AND UNCERTAINTIES

The Group's financial condition, results of operation, business and prospects may be affected by a number of risks and uncertainties. The followings are the key risk and uncertainties identified by the Group relating to its business:

A significant portion of the Group's revenue was generated from contracts awarded by a limited number of customers, and any significant decrease in the number of projects with major customers may materially and adversely affect its financial condition and operating results

A significant portion of the Group's revenue was derived from a limited number of customers during the Reporting Year. There is no assurance that the Group will continue to obtain contracts from its major customers, and in the event that it is unable to secure suitable projects of a comparable size and quantity as replacements from other customers, the Group's financial condition and operating results would be materially and adversely affected. In addition, in the event that the Group's major customers experience any liquidity problem, they may delay or default in their payments to the Group, in which case the Group's business, financial positions and prospects could be materially and adversely affected.

The Group's revenue relied on successful tenders of foundation works and superstructure building works projects which are not recurrent in nature, and there is no guarantee that its customers will provide it with new business

During the Reporting Year, the Group's revenue was mainly derived from foundation works and superstructure building works projects in Hong Kong which were awarded to it on successful tenders. The Group's future growth and success will depend on its ability to continue to secure tenders and contract awards. In addition, the Group's business is contract-based and on a non-recurring basis. The Group secured its foundation works and superstructure building works projects through competitive tender processes. The Group does not have long-term commitments with its customers and its customers are therefore under no obligation to award projects to it. As such, there is no guarantee that the Group will be able to secure new business from customers. Accordingly, the number and scale of projects and the amount of revenue it is able to derive therefrom may vary significantly from period to period, and it may be difficult to forecast the volume of future business.

Any failure to accurately estimate the project costs in tenders and/or any delay in completion of projects may lead to cost overruns or even result in losses

The Group's ability to submit tender proposals at a competitive price with adequate profit margin to maintain its profitability depends on various factors. The Group determines the tender price by taking into account factors including the scope and complexity of the project, site conditions, project time frame, estimated construction materials costs, labour and machinery requirements and capacity, extent of subcontracted works required, relationship with customers and prevailing market conditions. In addition, the Group may be subject to liquidated damages due to delay in completing the projects, calculated on the basis of a fixed sum per day or according to certain mechanism as stipulated under the contracts. Any material inaccurate estimation in the time and costs involved in a project may give rise to delays in completion of works and/or costs overruns, which in turn may materially and adversely affect the Group's financial condition, profitability and liquidity.

The Group may be subject to fines due to the commencement of construction work prior to obtaining the relevant construction work commencement permit or building unauthorised construction without PRC local government's permission

During the Reporting Year, the Group's significant portion of revenue was derived from foundation work and construction work in PRC. Pursuant to the Regulations on Administration Regarding Permission for Commencement of Construction Work (《建築工程施工許可管理辦法》) promulgated by the Ministry of Construction on 15 October 1999 and amended on 4 July 2001, a property developer shall apply for a construction work commencement permit from the relevant authority prior to the commencement of any construction work on the land. If a property developer fails to obtain the relevant construction work commencement permit before commencement of construction work, a fine ranging from RMB5,000 to RMB10,000 (if no proceeds were generated by such non-compliance) or from RMB5,000 to RMB30,000 (if proceeds were generated by such non-compliance) will be imposed on such property developer.

The Group is required to comply with various environmental, safety and health laws and regulations which are extensive and the compliance of which may be onerous or expensive

As part of the Group's construction business operation in the PRC, it is required to comply with various and extensive environmental as well as health and safety laws and regulations promulgated by the PRC government and the governments of other overseas jurisdictions in which it operates. If the Group fails to comply with these laws and regulations, it could be exposed to penalties, fines, suspension or revocation of its licenses or permits to conduct business, administrative proceedings and litigation. Given the magnitude and complexity of these laws and regulations, compliance with them or the establishment of effective monitoring systems may be onerous or require a significant amount of financial and other resources. As these laws and regulations continue to evolve, there can be no assurance that the PRC government or the governments of other overseas jurisdictions in which the Group has operations will not impose additional or more onerous laws or regulations, compliance with which may cause it to incur significantly increased costs, which it may not be able to pass on to its customers.

The Group requires permits or licenses to undertake its business operations and any loss, termination or non-renewal of these permits or licenses could have a significant and adverse impact on its business.

The Group requires permits and licenses issued by the relevant government agencies to conduct its business and it must comply with the restrictions and conditions imposed by various levels of government to maintain its permits and licenses. If the Group fails to comply with any of the regulations required for the maintenance of its permits and licenses, its permits and licenses could be temporarily suspended or even revoked.

The Group's property development business is dependent on the growth of the real estate market in the PRC

Demand for properties and property prices in the PRC, including Zhejiang Province may fluctuate and may continue to be affected by macro-economic control measures implemented by the PRC government from time to time.

The Group's property development business in the PRC is subject to extensive governmental regulations and policies and, in particular, it is susceptible to policy changes in the PRC property industry

The Group's business is subject to extensive governmental regulations and policies. As with other PRC property developers, it must comply with various requirements mandated by the PRC laws and regulations, including the policies and procedures established by local authorities designed to implement such laws and regulations. In particular, the PRC government exerts considerable direct and indirect influence on the development of the PRC property sector by imposing industry policies and other economic measures, which, among other things, control foreign exchanges, taxation, foreign investment and the supply of land for property development. Through these policies and measures, the PRC government may raise the benchmark interest rates of commercial banks, place additional limitations on the ability of commercial banks to make loans to property developers and property purchasers, impose additional taxes and levies on property sales, restrict foreign investment in the PRC property sector and restrict or reduce the supply of land for property development.

The Group may not be able to complete or deliver its development projects on time and face substantial development risks before it realises any benefits from them

Property development projects require substantial capital expenditures prior to and during the construction period. It may take longer than a year from the commencement of construction before a property development project can generate cash flow through pre-sales, sales or leases. The progress and costs of a property development project can be materially and adversely affected by many factors, including, without limitation to:

i) Delays in obtaining necessary licenses, permits or approvals from government agencies or authorities;

ii) Relocation of existing residents or demolition of existing structures;

iii) Increase in costs of materials, equipment, contractors and skilled labour;

iv) Availability and cost of financing;

v) Failure of contractors or suppliers to provide products and services as anticipated, due to financial difficulties or other reasons;

vi) Labour disputes;

vii) Construction accidents;

viii) Natural catastrophes;

ix) Adverse weather conditions; and

x) Changes in government policies.

The Group cannot assure that it will not experience any significant delays in the completion or delivery of any of its property development projects or that it will not be subject to any liabilities for any such delays. Such disruptions may materially and adversely affect its business, results of operations and financial position.

The Group may not be able to collect property management fees from property owners and property developers and as a result, may incur impairment losses on receivables

In its property management business operation, the Group may face difficulties in collecting property management fees from property developers and property owners. Even though the Group seeks to collect overdue property management fees through a number of collection measures, it cannot assure that such measures will be effective at all. Moreover, although most of the property management fees are paid to it through bank transfers and online payments, certain property owners would pay property management fees to it in cash, which may impose some cash management risk on it.

The Group's trading of construction materials business are exposed to credit risk of its customers

The Group generally does not grant any credit period for enterprises which are subject to litigation in respect of construction material agreements disputes, administrative penalty and outstanding tax arrears. Depending on factors including but not limited to their scale of operation, prospect and size of future sales, trading and payment history and the Group's business relationship with them, it generally grants its customers a credit period of 7 days to 270 days.

The Group cannot assure that any of its customers which have been granted credit period can fulfil their obligations under the construction material agreements entered into with them. Any default by the Group's customers on their obligations under such agreements with them may have an adverse effect on the Group's business, financial position and results of operations.

The Group may be affected by disease outbreaks

Any outbreak of diseases or viruses in livestock, or food scares in the region or around the world, such as the avian influenza H7N9 virus (also known as bird flu) or bovine spongiform encephalopathy (also known as mad cow disease), may materially and adversely affect the Group's F&B supply chain business and financial performance.

Certain F&B products from particular countries may be restricted or banned by the government in the PRC or elsewhere, and scarcity of supplies may lead to price increases for those products, thereby affecting the Group's ability to serve certain F&B products in its supply chain business. In the event that any of these events occur, the Group's business, operations and financial performance may be materially and adversely affected.

The Group will be affected by any failure to maintain the quality of the F&B products and services it offers

In the F&B industry, it is essential that the quality of food products served must be consistent. Any inconsistency in the quality of the Group's F&B products may result in customers' dissatisfaction. In addition, high staff turnover, shortage of staff or the lack of proper supervision may also affect the consistency and quality of F&B products. The Group may be exposed to negative publicity, customer complaints and potential litigations if it does not maintain the quality of F&B products.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years/period is set out on page 155 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Reporting Year are set out in Note 14 to the Financial Statements.

INTANGIBLE ASSETS

Details of the movements in the intangible assets of the Group during the Reporting Year are set out in Note 17 to the Financial Statements.

SHARE CAPITAL

Details of the share capital of the company are set out on page 9 of this annual report.

DEBENTURES

The Company did not issue any debenture during the Reporting Year.

RESERVES

Details of movements in the reserves of the Group during the Reporting Year are set out in Note 39 to the Financial Statements.

As at 31 December 2023, the Company had reserves amounting to approximately HK$316.1 million available for distribution as calculated in accordance with statutory provisions applicable in the Cayman Islands (31 December 2022: approximately HK$23 million).

Directors' Report

DIRECTORS

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

Executive Directors
Mr. Yu Zhuyun *(Chairman and Chief Executive Officer)*
Mr. Li Menglin

Non-executive Directors
Mr. Qiao Xiaoge
Ms. Zhu Yujuan

Independent non-executive Directors
Dr. Li David Xianglin
Mr. Wang Wenxing
Dr. Zhou Chunsheng

The biographical details of the Directors are set out in the section headed "Biographies of Directors and Senior Management" in this annual report.

DIRECTORS' SERVICE CONTRACT

Each of the Directors has entered into an appointment contract with the Company for a term of three years, subject to retirement by rotation at the AGM, and each of them shall be eligible for re-election in accordance with the second amended and restated articles of association of the Company (the "**Restated Articles**"). Mr. Qiao Xiaoge, Dr. Li David Xianglin and Dr. Zhou Chunsheng shall retire from office by rotation and, being eligible, shall offer themselves for re- election at the AGM.

Save as disclosed above, none of the Directors, including the Directors being proposed to be re-elected at the AGM, has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

CONFIRMATION OF INDEPENDENCE

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

MANAGEMENT CONTRACTS

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 December 2023, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of the associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "**SFO**")) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest or short positions which they are taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or have been, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix C3 to the Listing Rules, notified to the Company and the Stock Exchange were as follows:

(i) Long positions in the Shares

Name of Director	Capacity/Nature of interest	Number of Shares held/ interested in *Note 1*	Approximate percentage of interest in the Company
Mr. Yu Zhuyun	Interest in a controlled corporation	2,890,378,320 (L) *Note 2*	68.43% *Note 2*
Mr. Li Menglin	Beneficial owner	320,000 (L)	0.01%
Ms. Zhu Yujuan	Beneficial owner	480,000 (L)	0.01%

Note:

1. *"L" denotes long position.*

2. *Mr. Yu Zhuyun holds the entire issued share capital in Central Culture Resource Group Limited ("**Central Culture**") and Central Culture holds approximately 68.43% of the total number of issued Shares. Therefore, Mr. Yu Zhuyun is taken to be interested in the number of Shares held by Central Culture pursuant to Part XV of the SFO.*

(ii) Long positions in the ordinary shares of associated corporations of the Company

Name of Director	Name of associated corporation	Capacity/ Nature of interest	Number of shares held/ interested	Percentage of issued share capital
Mr. Yu Zhuyun	Central Culture	Beneficial owner	50,000	100%

Save as disclosed above, as at 31 December 2023, none of the Directors or chief executive of the Company had any interests and/or short positions in the Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code and which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO.

Substantial Shareholders' interests and short positions in Shares and underlying Shares

As at 31 December 2023, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interest or short position in Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to the section 336 of the SFO:

Long positions in the Shares

Name of Shareholder	**Capacity/Nature of interest**	**Number of Shares held/ interested in** *Note*	**Approximate percentage of interest in the Company**
Central Culture	Beneficial owner	2,890,378,320 (L)	68.43%

Note: "L" denotes long position.

Save as disclosed above, as at 31 December 2023, the Directors were not aware of any person or corporation (other than the Directors and the chief executives) who had any interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or pursuant to section 336 of the SFO, which were recorded in the register required to be kept by the Company.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the paragraph headed "Directors' and Chief Executive's Interests in Securities" above and the paragraph headed "Share Option Scheme" below, at no time during the Reporting Year were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holdings company, or and any of its subsidiaries or fellow subsidiaries, a party to any arrangement to enable the Directors, or their respective spouse of children under 18 years of age, to acquire such rights by means of the acquisition of Shares in or debentures of the Company of any other body corporate.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the paragraphs headed "Connected Transactions" below and in Note 35 to the Financial Statements, there was no transaction, arrangement or contract of significance, to which the Company or any of its subsidiaries, its parent company, or its parent company's subsidiaries was a party, and in which a Director or any entity connected with a Director had a material interest, whether directly and indirectly, subsisting as at 31 December 2023 or any time during the Reporting Year, nor was there any other transaction, arrangement or contract of significance in relation to the Group's business between the Company or any of its subsidiaries and a controlling Shareholder or any of its subsidiaries.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Restated Articles, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

The Company has maintained appropriate Directors' and officers' liability insurance in respect of legal actions against them arising out of corporate activities and such permitted indemnity provision for the benefit of the Directors are currently in force.

MAJOR SUPPLIERS AND CUSTOMERS

For the Reporting Year, the aggregate purchase attributable to the Group's largest supplier and the five largest suppliers accounted for approximately 22.2% and 50.6%, respectively, of the Group's total purchases for the Reporting Year (Previous Reporting Year: approximately 12.8% and 38.7%, respectively). For the Reporting Year, revenue attributable to the Group's largest customer and the five largest customers in aggregate accounted for approximately 12.0% and 34.4% respectively, of the Group's total revenue for the Reporting Year (Previous Reporting Year: approximately 10.3% and 37.1%, respectively).

To the best of the Directors' knowledge, none of the Directors, their close associates or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the number of issued share capital of the Company) had an interest in the Group's five largest suppliers or customers.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS, SUPPLIERS AND OTHERS

Employees

The Group recognises employees as its valuable assets. The Group provides competitive remuneration packages to attract, motivate and retain appropriate and suitable personnel. The Group has also adopted an annual review system to assess the performance of its staff, which forms the basis of the Group's decisions with respect to salary increment and promotions.

Customers

The Group has maintained long-standing business relationship with the majority of its five largest customers. The Group endeavors to accommodate its customers' demands to the extent its resources allow in order to capture more opportunities for larger scale projects in the future.

Suppliers and subcontractors

The Group has an approved list of suppliers and selects suppliers from the list based on the quality of products or services, timeliness of delivery, experience of and length of partnership with suppliers, competitiveness of pricing and reputation of suppliers.

Subject to the Group's capacity and resource level and depending on the types of construction works as well as cost effectiveness and complexity of the projects, the Group may subcontract certain works to other subcontractors. The Group maintains an internal list of approved subcontractors and selects them based on their experience, quality of works, timeliness of completion for past projects, reputation in the industry, past performances, pricing and the Group's relationship with them.

ENVIRONMENTAL POLICIES

The Group's operations at work sites are subject to certain environmental requirements pursuant to the laws of Hong Kong. The laws and regulations which have a significant impact on the Group include, among others, Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), Air Pollution Control (Non-road Mobile Machinery) (Emission) Regulation (Chapter 311Z of the Laws of Hong Kong), Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong), Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong), Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong), and Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Chapter 354N of the Laws of Hong Kong).

In order to comply with the applicable environmental protection laws, the Group has implemented an environmental management system which was certified to be in compliance with the standard required under ISO 14001 since November 2010. Apart from complying with the environmental protection policies formulated by its customers, the Group has established an environmental management policy to ensure proper management of environmental matters and compliance with environmental laws and regulations by both its employees and workers of its subcontractors on, among others, air pollution control, noise pollution control and waste disposal. During the Reporting Year, the Group did not incur any material costs on environmental compliance.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Reporting Year, to the best of knowledge of the Directors, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

EVENTS AFTER THE REPORTING YEAR

The Company was selected and included as a constituent stock of the following index series by Hang Seng Indexes Company Limited with effect from 4 March 2024:

1. Hang Seng Composite Index
2. Hang Seng Composite Industry Index — Properties & Construction
3. Hang Seng Composite MidCap Index
4. Hang Seng Composite LargeCap & MidCap Index
5. Hang Seng Composite MidCap & SmallCap Index
6. Hang Seng Large-Mid Cap (Investable) Index
7. Hang Seng Stock Connect Hong Kong Index
8. Hang Seng Stock Connect Hong Kong MidCap & SmallCap Index
9. Hang Seng SCHK Mainland China Companies Index
10. Hang Seng SCHK Properties & Construction Index
11. Hang Seng SCHK Properties & Construction (Investable) Index

12. Hang Seng Stock Connect Greater Bay Area Composite Index

13. Hang Seng Stock Connect Greater Bay Area Hong Kong Index

14. Hang Seng Stock Connect Greater Bay Area Properties & Construction Index

The Company believes that its inclusion as a constituent stock of the above index series represents increased recognition of the Group's business performance and development potential, which would enhance the Company's shareholder base and increase the trading liquidity of the Shares, thus resulting in greater investment value of the Company in the capital market.

Save as the above, there had been no significant event since the end of the Reporting Year and up to the date of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company had maintained a sufficient amount of public float for its Shares as required under the Listing Rules during the Reporting Year and up to the date of this annual report.

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

No purchase, sale or redemption of the Company's listed securities was made by the Company or any of its subsidiaries during the Reporting Year.

INTERESTS IN COMPETING BUSINESS

None of the controlling Shareholders, the Directors or their respective close associates is or was interested in any business apart from the Group's business that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the Reporting Year.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken by the Group are set out in Note 35 to the Financial Statements. The related party transactions which constitute connected transactions under the Listing Rules are set out in the paragraph headed "Connected Transactions" below. These connected transactions have complied with the requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

One-off Connected Transactions

During the Reporting Year, the Group had not entered into any non-exempt one-off connected transactions which were subject to the reporting, annual review, announcement and/or independent Shareholders' approval requirements under the Listing Rules.

The Company has engaged its auditors to report on the continuing connected transactions in accordance with Hong Kong Standards on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditors have issued an unqualified letter to the Board containing their conclusion in relation to the continuing connected transactions for the Reporting Year in accordance with rule 14A.56 of the Listing Rules.

SHARE OPTION SCHEME

Pursuant to the written resolutions of the then sole Shareholder on 13 March 2018, the Company adopted a share option scheme (the "**Share Option Scheme**") with effect from 13 March 2018. The terms of the Share Option Scheme were summarised in Appendix IV to the prospectus of the Company dated 19 March 2018. Unless otherwise terminated or amended, the Share Option Scheme will remain in force for a period of 10 years commencing on the date of adoption. As at the date of this annual report, the remaining life of the Share Option Scheme is approximately four years. The main purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and services providers of the Group, and to promote the business of the Group. Participants of the Share Option Scheme comprise employee (full-time or part-time), Director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group who, in the absolute discretion of the Board, has contributed or may contribute to the development and growth of the Group. An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK$1.00.

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer for the grant of the option, which must be a business day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of offer for the grant of the option. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

As at the date of this annual report, the total number of Shares available for issue under the Share Option Scheme was 422,400,000 Shares, representing 10% of the entire issued share capital of the Company. The total number of Shares issued and to be issued upon exercise of options granted to any participant (including both exercised and outstanding options) under the Share Option Scheme or other share option schemes of the Company, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by the Shareholders in a general meeting with such grantee and his close associates (or his associates if the grantee is a connected person) abstaining from voting.

No share option has been granted, exercised, cancelled or lapsed since the effective date of the Share Option Scheme and up to the date of this annual report.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report relating to the Share Option Scheme, no equity-linked agreements that (i) will or may result in the Company issuing Shares; or (ii) will require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during the Reporting Year or subsisted at the end of the Reporting Year.

DONATION

Donations made by the Group during the Reporting Year amounted to HK$660,000 (Previous Reporting Year: HK$1,710,000).

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Restated Articles and there was no restriction against such rights under the laws of Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

RELIEF FROM TAXATION

The Directors are not aware of any relief from taxation available to which the Shareholders are entitled by reason of their holding of the Shares.

REMUNERATIONS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' remuneration and the five highest paid individuals are set out in Note 9 to the Financial Statements.

The emoluments of the Directors and senior management of the Group are determined by the remuneration committee of the Company (the "**Remuneration Committee**") with reference to their relevant qualifications, experience, competence and the prevailing market conditions. There was no arrangement under which the Directors waived or agreed to waive any emoluments during the Reporting Year.

EMOLUMENT POLICY

The emolument policy of the Group is on the basis of the qualifications and contributions of individuals to the Group. The Company has adopted the Share Option Scheme as an incentive to eligible employees, details of which are set out in the paragraph headed "Share Option Scheme" above.

The Directors' fees are subject to Shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to the Directors' duties, responsibilities and performance, the results of the Group and comparable market practices.

CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report in this annual report.

DISCLOSURES UNDER RULES 13.20 TO 13.22 OF THE LISTING RULES

As at 31 December 2023, the Group had no circumstances which would give rise to disclosure obligations under Rules 13.20 to 13.22 of the Listing Rules.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") had reviewed, together with the management and external auditor, the accounting principles and policies adopted by the Group and the audited Financial Statements for the Reporting Year.

AUDITORS

HLB Hodgson Impey Cheng Limited acted as the auditor of the Group for the Reporting Year. The Financial Statements have been audited by HLB Hodgson Impey Cheng Limited, which shall retire in the forthcoming AGM and, being eligible, will offer itself for re-appointment. A resolution for its re-appointment as the auditor for the coming year will be proposed at the forthcoming AGM. There has been no change in auditors since the listing date of the Company.

By Order of the Board

Yu Zhuyun
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 16 March 2024

Corporate Governance Report

The Board is committed to high standard of corporate governance with a view to safeguarding the interests of the Shareholders and achieving accountability as the Group recognises the importance of maximising Shareholders' value through effective corporate governance procedures.

CORPORATE GOVERNANCE CODE

The Company had applied the principles and all the applicable code provisions (the "**Code Provision(s)**") as set out under the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 of the Listing Rules during the Reporting Year. The Directors will periodically review the Company's corporate governance policies and will propose any amendment, if necessary, to ensure compliance with the Code Provisions from time to time.

During the Reporting Year, the Company had complied with all the applicable Code Provisions of the CG Code, except for Code Provision C.2.1 of the CG Code as explained below:

Mr. Yu Zhuyun was appointed as the chief executive officer of the Company (the "**CEO**") with effect from 30 April 2020, and is currently serving as both the chairman of the Board (the "**Chairman**") and the CEO. Such practice deviates from Code Provision C.2.1 of the CG Code. The Board believes that vesting the roles of both the Chairman and the CEO in the same person can facilitate the execution of the Group's business strategies and enhance its operational efficiency. The Board is currently comprised of two executive Directors, two non-executive Directors and three independent non-executive Directors, which is appropriately structured to ensure that there is a balance of power to provide sufficient checks to protect the interests of the Company and the Shareholders. Therefore, the Board considers that the deviation from Code Provision C.2.1 of the CG Code is appropriate in such circumstance.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct for Directors' securities transactions. In response to specific enquires by the Company, all Directors have confirmed that they have fully complied with the requirements set out in the Model Code during the Reporting Year.

The senior management and staff of the Company have been individually notified and advised about the Model Code by the Company.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for determining the appropriate corporate governance practices applicable to the Company's circumstances and ensuring processes and procedures are in place to achieve the Company's corporate governance objectives.

The duties of the Board in performing its corporate governance functions under the CG Code include:

1. to develop and review the Company's policies and practices on corporate governance and make recommendations;

2. to review and monitor the training and continuous professional development of the Directors and senior management of the Company;

3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

4. to develop, review and monitor the code of conduct and compliance manual applicable to the Directors and the Company's employees; and

5. to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Board is responsible for performing the corporate governance functions set out in Code Provision A.2.1 of the CG Code. As at the date of this annual report, the Board had reviewed and monitored (a) the Company's corporate governance policies and practices; (b) training and continuous professional development of the Directors and senior management of the Company; (c) the Company's policies and practices on compliance with legal and regulatory requirements; (d) the Company's code of conduct and compliance manuals applicable to the Directors and the Company's employees; and (e) the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Company has arranged appropriate insurance coverage on the liabilities of the Directors in respect of any legal actions taken against the Directors arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

Directors' Training and Professional Development

All Directors have been updated with the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure their compliance with these requirements and enhance their awareness of good corporate governance. All Directors and employees of the Group are encouraged to attend relevant training courses to keep abreast of the latest market and regulatory changes and developments. The Board may seek independent professional advice in appropriate circumstances, at the Company's expenses, in order to assist and ensure that the Directors can duly discharge their duties.

In compliance with Code Provision C.1.4 of the CG Code, the Company has allocated and provided funding to all Directors to participate in continuous professional development organised in the form of seminars and in-house training and/or relevant reading materials on the latest development of applicable laws, the Listing Rules and corporate governance practices.

All Directors confirmed that they have complied with the Code Provision C.1.4 of the CG Code. During the Reporting Year, each of the Directors had participated in continuous professional development by attending seminars, courses or conferences and reading relevant materials to develop and refresh their knowledge and skills.

Corporate Governance Report

THE BOARD

Role and Function

The Board is responsible for the overall leadership of the Group. It oversees the Group's strategic decisions and monitors its business and performance. The Board has delegated the authority and responsibility for day-to-day management and operations of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees, including the Audit Committee, the nomination committee (the "**Nomination Committee**") and the Remuneration Committee (together, the "**Board Committees**"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of references. Further details of the Board Committees are set out in the paragraph headed "Board Committees" below.

Composition

As at the date of this annual report, the Board was chaired by Mr. Yu Zhuyun and comprised seven members, including two executive Directors, two non-executive Directors and three independent non-executive Directors. The list of Directors is set out in the Directors' Report in this annual report.

There is a balance of skills and experience within the Board, which is appropriate for the requirements of the business of the Company. Biographical details of the Directors are set out in the section headed "Biographies of Directors and Senior Management" in this annual report. The Directors and senior management of the Company have no financial, business, family or other material or relevant relationship with each other.

Board Diversity Policy

The Board has adopted a board diversity policy (the"**Board Diversity Policy**"), with a view to achieve a sustainable and balanced development of the Group. In designing the Board's composition, board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, with due regard to the benefits of diversity on the Board. The Board Diversity Policy is reviewed annually by the Board to ensure effectiveness, and revisions will be made with the approval from the Board where appropriate.

As at 31 December 2023, there is one female Director on the Board. Given the current composition and gender diversity of the Board, the Board and the Nomination Committee are of the view that it is not necessary to set numerical targets and timeline for achieving gender diversity of the Board for the time being. In the future, the Board will continue to pay due regard to the importance of diversity in identifying potential candidates for directorships and continue to ensure that gender is one of the factors to be considered in appointing Directors by the Nomination Committee. Similar considerations will also be put in place to assess the candidacy of the senior management of the Company from time to time.

The Board also recognises the importance of diversity at the workforce level. As at 31 December 2023, the gender ratio of the workforce of the Group (including the senior management of the Company) was approximately 64:36 male to female.

Independent Non-executive Directors

During the Reporting Year, the Company was in compliance with Rules 3.10(1) and 3.10(2) of the Listing Rules. The Company had three independent non-executive Directors representing more than one-third of the Board, and Mr. Wang Wenxing is the independent non-executive Director with appropriate professional qualifications and accounting or related financial management expertise. No less than one third of the Directors are subject to retirement by rotation at each AGM in accordance with the Restated Articles.

The independent non-executive Directors are considered by the Board to be independent of the management and free of any relationship that could materially interfere with the exercise of their independent judgments. The Board considered that each of the independent non-executive Directors brings his own relevant expertise to the Board and its deliberations. None of the independent non-executive Directors has any business or financial interests in the Group nor any relationship with other Directors.

The Company has received a written annual confirmation from each independent non-executive Director of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Board Committees.

Appointment, Re-election and Removal of Directors

The Company has established the Nomination Committee on 13 March 2018. The Nomination Committee has from time to time identified individuals suitably qualified to become Board members and made recommendations to the Board. The main consideration in selecting candidates for directorships is whether their characters, qualifications and experiences are appropriate for the businesses of the Group.

Each of the executive, non-executive and independent non-executive Directors has entered into a contract for appointment with the Company for a term of three years and is subject to the termination provisions therein and the provisions on retirement by rotation of Directors as set out in the Restated Articles.

According to the Restated Articles, any Director so appointed by the Board shall hold office, in the case of filling a casual vacancy, only until the next AGM or, in the case of an addition to their number, until the next AGM who shall then be eligible for re-election at such general meeting. Every Director is appointed for a specific term and is subject to retirement by rotation at least once every three years.

In accordance with Article 108(a) of the Restated Articles, at each AGM, at least one third of the Directors for the time being, or, if the number is not three or a multiple of three, then the number nearest to but not less than one third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

Nomination Policy

The Board has adopted a nomination policy (the "**Nomination Policy**") on 31 December 2018 which sets out the criteria and process in the nomination and appointment of Directors, and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company as well as the Board's continuity and appropriate leadership. The Nomination Committee shall identify candidates who are qualified or suitable to become members of the Board and make recommendations to the Board on the selection of candidates nominated for directorships. The selection of candidates will be based on a range of selection criteria as set out in the Nomination Policy, including but not limited to, character and integrity, qualification, potential contribution the candidate can bring to the Board in terms of qualifications, skill, experience and gender diversity, the candidate's willingness and ability to devote adequate time to discharge his/her duties as a member of the Board.

For the appointment of Directors, the Nomination Committee will first identify individual(s) suitably qualified to become Board members and, where appropriate, assess their independence. Then, the Nomination Committee will make recommendations to the Board for the Board to consider, having regard to the Board Diversity Policy and the Nomination Policy. The Board will confirm the appointment of the suitable candidate(s) or recommend the candidate(s) to stand for election at a general meeting of the Company. The candidate(s) who is/are appointed by the Board to fill a casual vacancy or as an addition to the existing Board will be subject to re-election by Shareholders at the next AGM after initial appointment in accordance with the Restated Articles.

For the re-appointment of Directors, the Nomination Committee will also consider the retiring Directors based on the Board Diversity Policy and the Nomination Policy and, where appropriate, assess their independence before the Nomination Committee makes a recommendation to the Board. After the Board considers each retiring director, the Board will recommend the suitable retiring director(s) to stand for re-election at the AGM in accordance with the Restated Articles. The Shareholders will approve the re-election of Directors at the AGM.

The Nomination Committee shall review the structure, size, composition and diversity of the Board at least annually to ensure that it has a balance of expertise, skills, experience and diversity of perspectives appropriate for the business of the Company.

Board Meetings

Pursuant to Code Provision C.5.1 of the CG Code, the Board should meet regularly and board meetings should be held at least four times per year. The Board meets regularly to formulate the Group's overall strategies as well as discuss the Group's operation and financial performance. Additional meetings would be arranged if and when required. Directors may participate either in person or through electronic means of communication. During the Reporting Year, there were four Board meetings and three general meetings. The attendance record of each member of the Board of the Board meetings and the general meeting is set out below:

Name of Director	Meetings attended/ number of general meetings	Meetings attended/ number of Board meetings
Executive Directors		
Mr. Yu Zhuyun *(Chairman and Chief Executive Officer)*	3/3	4/4
Mr. Li Menglin	3/3	4/4
Non-executive Directors		
Mr. Qiao Xiaoge	2/3	4/4
Ms. Zhu Yujuan	3/3	4/4
Independent non-executive Directors		
Dr. Li David Xianglin	2/3	4/4
Mr. Wang Wenxing	2/3	4/4
Dr. Zhou Chunsheng	2/3	3/4

Access to Information

The Directors may, at the Company's expenses, seek independent professional advice in appropriate circumstances. The Company will, upon request, provide separate independent professional advice to Directors to assist the relevant Directors to discharge their duties to the Company.

The Board is supplied with relevant information by the senior management of the Company pertaining to matters to be brought before the Board for decision as well as reports relating to the Group's operational and financial performance before each Board meeting. Where any of the Directors requires more information than is volunteered by the senior management of the Company, each Director has the right to separately and independently access the Company's senior management for further enquiries if necessary.

BOARD COMMITTEES

In accordance with the Restated Articles and the Listing Rules, the Board has established Board Committees, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee, for overseeing particular aspects of the Company's affairs. All Board Committees are established with defined terms of reference relating to their respective authorities and duties, which have been approved by the Board and are reviewed periodically. The terms of reference of the Board Committees are posted on the websites of the Company and the Stock Exchange, and are available to Shareholders upon request.

Audit Committee

The Company established the Audit Committee on 13 March 2018 in accordance with Rule 3.21 of the Listing Rules with the written terms of reference (which have been revised and adopted by the Board on 31 December 2018) in compliance with the CG Code.

The Audit Committee consists of three members, namely Mr. Wang Wenxing, Mr. Qiao Xiaoge and Dr. Li David Xianglin. Mr. Wang Wenxing currently serves as the chairperson of the Audit Committee.

The primary responsibilities of the Audit Committee include: (i) to make recommendations to the Board on the appointment, reappointment and removal of external auditors; (ii) to review and monitor the external auditors' independence and objectivity; (iii) to review the effectiveness of the Company's audit process in compliance with applicable standards, internal control and risk management systems; (iv) to develop and implement policy on engaging external auditors to supply non-audit services, and to review and monitor the extent of the non-audit works undertaken by external auditors; and (v) to monitor the integrity of the financial statements, annual reports and accounts and half-year reports and to review significant financial reporting judgments contained in them.

The Audit Committee has explicit authority to investigate any activity within its terms of reference and the authority to obtain outside legal or other independent professional advice if necessary. It is given access to and assistance from the employees and reasonable resources to discharge its duties properly.

During the Reporting Year, the Audit Committee held three meetings to review the annual and interim financial results of the Group for submission to the Board for approval, review the internal control and risk management systems of the Group, oversee the audit process and make recommendations on the re-appointment of the external auditors. During the Reporting Year and up to the date of this annual report, there had been no disagreement between the Board and the Audit Committee.

The attendance record of each member of the Audit Committee during the Reporting Year is set out below:

Audit Committee	**Meeting(s) attended/ Eligible to attend**
Mr. Wang Wenxing *(Chairperson)*	3/3
Mr. Qiao Xiaoge	3/3
Dr. Li David Xianglin	3/3

Nomination Committee

The Company established the Nomination Committee on 13 March 2018 in accordance with Rule 3.27A of the Listing Rules with written terms of reference (which have been revised and adopted by the Board on 31 December 2018) in compliance with the CG Code. The Nomination Committee consists of three members, namely Mr. Yu Zhuyun, Mr. Wang Wenxing and Dr. Zhou Chunsheng. Mr. Yu Zhuyun currently serves as the chairperson of the Nomination Committee.

The primary responsibilities of the Nomination Committee include: (i) to review the structure, size, composition and diversity of the Board in accordance with the Board Diversity Policy at least annually; (ii) to identify individuals suitably qualified to become Board members; (iii) to assess the independence of independent non-executive Directors; (iv) to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors; and (v) to make recommendations to the Board regarding candidates to fill vacancies on the Board and/or senior management of the Company.

The Nomination Committee held one meeting during the Reporting Year to review the structure, size and composition of the Board in accordance with the Board Diversity Policy, assess the independence of the independent non-executive Directors and make recommendations to the Board on the proposal of re-appointment of Directors at the forthcoming AGM.

The attendance record of each member of the Nomination Committee during the Reporting Year is set out below:

Nomination Committee	**Meeting(s) attended/ Eligible to attend**
Mr. Yu Zhuyun (Chairperson)	1/1
Mr. Wang Wenxing	1/1
Dr. Zhou Chunsheng	1/1

Remuneration Committee

The Company established the Remuneration Committee on 13 March 2018 in accordance with Rule 3.25 of the Listing Rules with written terms of reference (which has been revised and adopted by the Board on 14 December 2022) in compliance with the CG Code. The Remuneration Committee consists of three members, namely Dr. Li David Xianglin, Dr. Zhou Chunsheng and Ms. Zhu Yujuan. Dr. Li David Xianglin currently serves as the chairperson of the Remuneration Committee.

The primary duties of the Remuneration Committee include: (i) to review and make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group; (ii) to make recommendation to the Board on the remuneration of independent non-executive Directors; (iii) to review and make recommendations to the Board on other remuneration-related matters, including benefits-in-kinds, pension rights and the compensation payable to the Directors and the Group's senior management; (iv) to review performance-based remuneration and to establish a formal and transparent procedure for developing policies in relation to remuneration; (v) to consider the salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries; and (vi) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

The remuneration of the Directors and the Group's senior management is determined with reference to the responsibilities, the workload, the time devoted and the performance of the Directors and the Group's senior management. The Remuneration Committee also ensures that no individual will be involved in determining his/her own remuneration.

The remuneration of the Group's senior management during the Reporting Year is listed below by band:

Band of remuneration	**No. of person(s)**
Up to HK$1,000,000	2

Further details of the remuneration of the Directors and the five highest paid individuals is set out in Note 9 to the Financial Statements.

During the Reporting Year, the Remuneration Committee held one meeting to, among others, review the policy for the remuneration of executive Directors, assess the performance of executive Directors, approve the terms of executive Directors' service contracts, review the remuneration packages of individual Directors and senior management of the Company and made recommendations to the Board on the above matters.

The attendance record of each member of the Remuneration Committee during the Reporting Year is set out below:

Remuneration Committee	**Meeting(s) attended/ Eligible to attend**
Dr. Li David Xianglin *(Chairperson)*	1/1
Ms. Zhu Yujuan	1/1
Dr. Zhou Chunsheng	1/1

AUDITORS' REMUNERATION

The Audit Committee is responsible for considering the appointment and re-election of the Company's external auditor and reviewing any non-audit functions performed by the external auditors, including whether such non-audit functions could lead to any potential material adverse effect to the Company.

For the Reporting Year, the remuneration paid/payable to the external auditors, HLB Hodgson Impey Cheng Limited, in respect of its audit services and non-audit services was approximately HK$1,580,000 and HK$435,000, respectively. The non-audit services related to assisting in reviewing the disclosure of interim financial report and the tax compliance work of the Company and certain subsidiaries during the Reporting Year.

COMPANY SECRETARY

Mr. Tung Tat Chiu, Michael ("**Mr. Tung**"), was appointed as the Company Secretary on 3 May 2023. During the Reporting Year, Mr. Tung had taken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules. The biography of Mr. Tung is set out in the section headed "Biographies of Directors and Senior Management" in this annual report.

Mr. Tung is an external service provider engaged by the Company as the Company Secretary and Ms. Hu Longzhi, the chief financial officer of the Company, will be the key contact person with whom Mr. Tung can contact.

DIRECTORS' AND AUDITORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge and understand their responsibility in relation to the preparation of the Financial Statements and seek to ensure that the Financial Statements are prepared in a manner which give a true and fair view of the state of affairs of the Group as a going concern and are in compliance with the relevant accounting standards and principles, applicable laws and disclosure requirements under the Listing Rules. In presenting the Financial Statements, announcements and other financial disclosures required under the Listing Rules, the Directors aim to present a balanced, clear and understandable assessment of the position and prospects of the Group. The Directors are of the view that the Financial Statements were prepared on this basis. The Directors were not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the auditors of the Group regarding their reporting responsibilities on the Financial Statements is set out in the Independent Auditors' Report in this annual report.

DIVIDEND POLICY

The Company has established a dividend policy (the "**Dividend Policy**") on 31 December 2018 with an aim to strike a balance between maintaining sufficient capital to develop and operate the business of the Group and rewarding the Shareholders. According to the Dividend Policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account the following factors:

(a) the Company's operating results, actual and expected financial performance;

(b) retained earnings and distributable reserves of the Company and each of the members of the Group;

(c) the level of the Group's debt-to-equity ratio, return on equity and the relevant financial covenants;

(d) any restrictions on payment of dividends that may be imposed by the Group's lenders;

(e) the Group's expected working capital requirements, capital expenditure requirements and future expansion plans;

(f) the Group's liquidity position;

(g) general economic conditions, business cycle of the Group's business and other internal and external factors that may have an impact on the business or financial performance and position of the Company; and

(h) any other factors that the Board may deem appropriate and relevant.

The declaration and payment of dividend by the Company is also subject to any restrictions under the Companies Laws of the Cayman Islands, any applicable laws, rules and regulations and the Restated Articles. The declaration and payment of future dividend under the Dividend Policy are subject to the Board's determination that the same would be in the best interests of the Group and the Shareholders as a whole. The Board will review the Dividend Policy from time to time and may exercise at its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time as it deems fit and necessary.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the Company's risk management and internal control systems, and for reviewing its effectiveness. The Board oversees the Group's overall risk management and internal control systems on an ongoing basis. At the same time, the Group endeavors to identify risks (including ESG risks), control impact of the identified risks and facilitate the implementation of coordinated mitigating measures. The risk management and internal control systems are compatible with the principles in the Committee of Sponsoring Organisations of Treadway Commission (COSO) — Integrated Framework 2013, which are designed to manage rather than eliminate the risk of failures in order to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group has established a risk management policy which sets out the process of identification, evaluation and management of the principal risks affecting the business. Each division is responsible for identifying and assessing principal risks within itself and establishing mitigation plans to manage the risks identified. The senior management of the Company is responsible for overseeing the Group's risk management and internal control activities, attending meetings with each division to ensure principal risks are properly managed, and new risks are identified and documented. The Board is responsible for reviewing and approving the effectiveness and adequacy of the Group's risk management and internal control systems.

The Company currently does not have an internal audit function. During the Reporting Year, the Company has engaged an external risk management and internal control review consultant (the "**Consultant**") to conduct a review of the Group's risk management and internal control covering the period from 1 January 2023 to 31 December 2023. Such review is conducted annually. The scope of the Consultant's review was previously determined and approved by the Board and covered internal controls in relation to the Group's property development and investment business, property management business, fixed asset management, human resources and payroll management. The Consultant has reported findings and areas for improvement to the Board. The Board is of the view that there has been no material risk management and internal control deficiency noted. All recommendations given by the Consultant will be properly followed up by the Group to ensure that they are implemented within a reasonable period of time.

The Board is responsible for the risk management and internal control systems of the Group and ensuring review of the effectiveness of these systems has been conducted annually. Several areas have been considered during the Board's review, which include but not limited to (i) the changes in the nature and extent of significant risks since the last annual review, and the Group's ability to respond to changes in its business and the external environment; (ii) the scope and quality of management's ongoing monitoring of risks and of the internal control systems.

The Board, through its review and the review made by the Consultant and Audit Committee, concluded that the risk management and internal control systems were effective and adequate. Such systems, however, are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. It is also considered that the resources, qualifications and experience of the relevant staff were adequate and the training programs and budget provided were sufficient.

INSIDE INFORMATION POLICY

The Group has adopted a policy on disclosure of insider information with the aim to ensure that the insiders are abiding by the confidentiality requirements and are fulfilling the disclosure obligations of the inside information.

WHISTLEBLOWING POLICY

The Company has put in place a whistleblowing policy (the "**Whistleblowing Policy**") which applies to all the directors and employees of the Group and any parties who deal with the Group. The policy is designed to provide the employees and any external parties with confidential whistleblowing channels to report to the Group the actual or suspected illegal activities and misconducts in corporate financial reporting, internal control or other areas.

Whistleblowers are able to contact the Board directly through the contact method provided on the Company's website. The identity of the whistleblower and all the concerns or irregularities raised will be treated with confidentiality and every effort will be made to ensure that confidentiality is maintained throughout the process.

The Audit Committee, which is responsible for overseeing and monitoring of the Whistleblowing Policy and its mechanism, will make decisions on further actions (if needed).

The Company is also committed to ensuring the protection of the whistleblowers against detrimental or unfair treatment.

ANTI-CORRUPTION

The Company does not tolerate any corruption, bribery, extortion, fraud or money laundering during the course of its business activities. The Company strictly adheres to the relevant regulations and laws, such as the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong), Anti-Unfair Competition Law of the PRC, Criminal Law of the PRC, and other laws and regulations related to commercial bribery. The Company has formulated an anti-corruption policy (the "**Anti-Corruption Policy**") which prohibits all forms of corruption practice by making reference to the relevant laws and regulations. The Anti-Corruption Policy forms an integral part of the Company's corporate governance framework, which sets out the specific behavioural guidelines that the employees of the Group must follow to combat corruption. The Anti-Corruption Policy is reviewed and updated on a regular basis to align with the applicable laws and regulations as well as the industry best practices. All the employees of the Group are informed and expected to act with integrity, impartiality and honesty.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS AND INVESTOR RELATIONS

The Company considers that effective communication with the Shareholders and potential investors is essential for facilitating investor relations and enhancing their understanding of the Group's business, performance and strategies. The Company has adopted the Shareholders' communication policy with the objective of ensuring that the Shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company (including financial performance, strategic goals and plans, material development, governance and risk profile). The Company also recognises the importance of timely and non-selective disclosure of information, which will enable the Shareholders and potential investors to make informed investment decisions.

To promote effective communication, the Company maintains the website of www.centralenergy.cn, where up-to-date information of the Company's business operations and developments, financial information, corporate governance practices and other information is available for public access. Latest information of the Group, including annual and interim reports, announcements and other corporate communications which will be sent to Shareholders and/or published, are updated on the website of the Stock Exchange (www.hkexnews.hk) and the Company (www.centralenergy.cn) in a timely fashion.

For procedures by which enquiries may be put to the Board, please refer to the subsection headed "Procedures by which enquiries may be put to the Board" below.

The Board has reviewed the implementation and effectiveness of the investor relations policy of the Company. Having considered that diverse channels of communication have been put in place, the Board is satisfied that an effective investor relations policy has been properly implemented throughout the Reporting Year.

The forthcoming AGM of the Company will be held on Friday, 28 June 2024. The notice of the AGM, setting out the details of each proposed resolution, voting procedures and other relevant information, will be sent to the Shareholders at least 21 days before the date of the AGM.

SHAREHOLDER'S RIGHTS

Procedures for convening general meetings by Shareholders

The Company's general meeting provides an opportunity for communication between the Shareholders and the Board. In accordance with Article 72 of the Restated Articles, at any general meeting, a resolution put to the vote of the meeting shall be decided by poll save that the chairman of the meeting may, in good faith, allow a resolution be voted by a show of hands. The chairman of the meeting will explain such rights and procedures during the AGM before voting on the resolutions.

Pursuant to Article 64 of the Restated Articles, Shareholders can make a requisition to convene an extraordinary general meeting (the "**EGM**"). The procedure for the Shareholders to convene an EGM are as follows:

1. any one or more shareholders (the "**Requisitionist**") holding, at the date of deposit of requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings shall have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business or resolution specified in such requisition; and

2. such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the Requisitionist(s) himself/themselves may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board shall be reimbursed to the Requisitionist(s) by the Company.

Procedures for putting forward proposals at Shareholders' meetings

Shareholders are requested to follow Article 64 of the Restated Articles for including a resolution at an EGM. The requirements and procedures are set out in the paragraph headed "Procedures for Convening General Meetings by Shareholders" above.

Shareholders are welcomed to suggest proposals relating to the operations, strategies and/or management of the Group at Shareholders' meetings. Proposals shall be sent by written requisition of his/her proposal (the "**Proposal**") together with his/her detailed contact information to the Board or the Company Secretary at the Company's principal place of business in Hong Kong as set out in the section headed "Corporation Information" in this annual report.

The request will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the request is proper and in order, the Board will be asked to include the Proposal in the agenda for the general meeting.

The notice period to be given to the Shareholders for consideration of the Proposal raised by the Shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:

— at least 21 days' notice in writing if the Proposal requires approval by way of resolution in any AGM; and

— at least 14 days' notice in writing if the Proposal requires approval by way of resolution in any EGM.

Procedures by which enquiries may be put to the Board

For matters in relation to the Board, Shareholders may send their enquiries and concerns to the Board by addressing them to the Board or the Company Secretary by mail to the Company's principal place of business in Hong Kong set out in the section headed "Corporation Information" in this annual report.

For share registration related matters, such as share transfers and registrations, change of name or address, loss of share certificates or dividend warrants, the registered Shareholder can contact:

Branch Share Registrar and Transfer Office in Hong Kong
Boardroom Share Registrars (HK) Limited
2103B, 21/F
148 Electric Road
North Point
Hong Kong
Tel: (852) 2153-1688
Fax: (852) 3020-5058

SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENTS

On 20 April 2023, the Shareholders have approved at the annual general meeting the proposed amendments to the Restated Articles to, among others, (i) reflect the amendments to Appendix A1 to the Listing Rules regarding the core shareholder protection standards; (ii) enable the Company to convene and hold electronic or hybrid general meetings of the Shareholders and provide flexibility to the Company in relation to the conduct of general meetings; and (iii) make other miscellaneous and housekeeping changes to update or clarify the provisions where it is considered desirable or to better align the wordings with the Listing Rules and the applicable laws of the Cayman Islands. For details, please refer to the circular of the Company dated 28 March 2023.

Save as disclosed above, there had been no significant changes in the constitutional documents of the Company during the Reporting Year.

Environmental, Social and Governance Report

OVERVIEW

This report covers Central New Energy Holding Group Limited and its subsidiaries for the period from 1 January 2023 to 31 December 2023 (the "**Reporting Year**" or "**Reporting Period**").

Unless otherwise stated, this report covers the Group's core businesses located in Mainland China:

(i) green building and construction related business;

(ii) new energy and EPC;

(iii) smart energy management services;

(iv) health and wellness; and

(v) F&B supply chain.

The policy documents, statements and data in this report cover the actual business scope of Central New Energy. Unless otherwise specified, the monetary amounts mentioned in this report are denominated in RMB.

REPORTING SCOPE AND STANDARDS

This report was prepared in compliance with the Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**") set out in Appendix C2 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), and adheres to the reporting principles of materiality, quantitative, balance and consistency set out in the ESG Reporting Guide.

SOURCES AND RELIABILITY STATEMENT

The sources of data used in this report include internal documents of the Group and its subsidiaries, relevant statistics, financial statements, public reports and reports, as well as information from third-party surveys or interviews, government departments and professional organizations. The Group undertakes that this report does not contain any false records or misleading statements and accepts liability for the truthfulness, accuracy and completeness of its contents.

This report was approved by the Board of the Group on 16 March 2024 after confirmation by the Company's management.

Environmental, Social and Governance Report

TERMS OF THE REPORT

For the convenience of expression and reading, unless otherwise stated, the terms "the Group" and " Central New Energy" in this report refer to Central New Energy Holding Group Limited. The terms "we" and "us" refer to the Group and its subsidiaries.

Full name	Abbreviation
Central New Energy Holding Group Limited	Central New Energy
Central Low Carbon (Anhui) New Energy Photovoltaic Technology Co., Ltd.* (中環低碳(安徽)新能源光伏科技有限公司)	Central Low Carbon New Energy
Anhui Zhong Gang Property Service Co., Ltd.* (安徽中港物業服務有限公司)	Zhong Gang Property
Central DigiTech (Jiang Su) Intelligent Technology Inc.* (中環數科(江蘇)智能科技有限公司)	Central DigiTech
Central Low Carbon New Energy (Fengtai) Photovoltaic Industrial Base* (中環低碳新能源(鳳台)光伏產業基地)	Fengtai Base
Zhejiang Xintianpu Agricultural Travel Development Ltd* (浙江新田鋪農旅開發有限公司)	Zhejiang Xintianpu

Explanation of abbreviations of the Group and its key subsidiaries

GOVERNANCE STRUCTURE

(i) Governance Structure

In strict compliance with the requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, Central New Energy has continued to optimize its corporate governance structure and internal control system, strengthened efforts in information management and disclosure, and actively engaged in investor relations management , so as to safeguard efficient and compliant corporate governance and to lay the foundation for the Group's long-term and steady development.

We have established an operational decision-making structure comprising the general meeting of Shareholders, the Board, the Supervisory Committee and the operating management. The general meeting of Shareholders, the Board and the Supervisory Committee serve as the highest authority, the executive body and the supervisory body of the Company, respectively, which together with the operating management form a governance mechanism with clear delineation of powers and responsibilities, and coordination and checks and balances among themselves, so as to adequately safeguard the interests of the stakeholders and the Group.

* English translation of the name of a Chinese company is provided for identification purpose only.

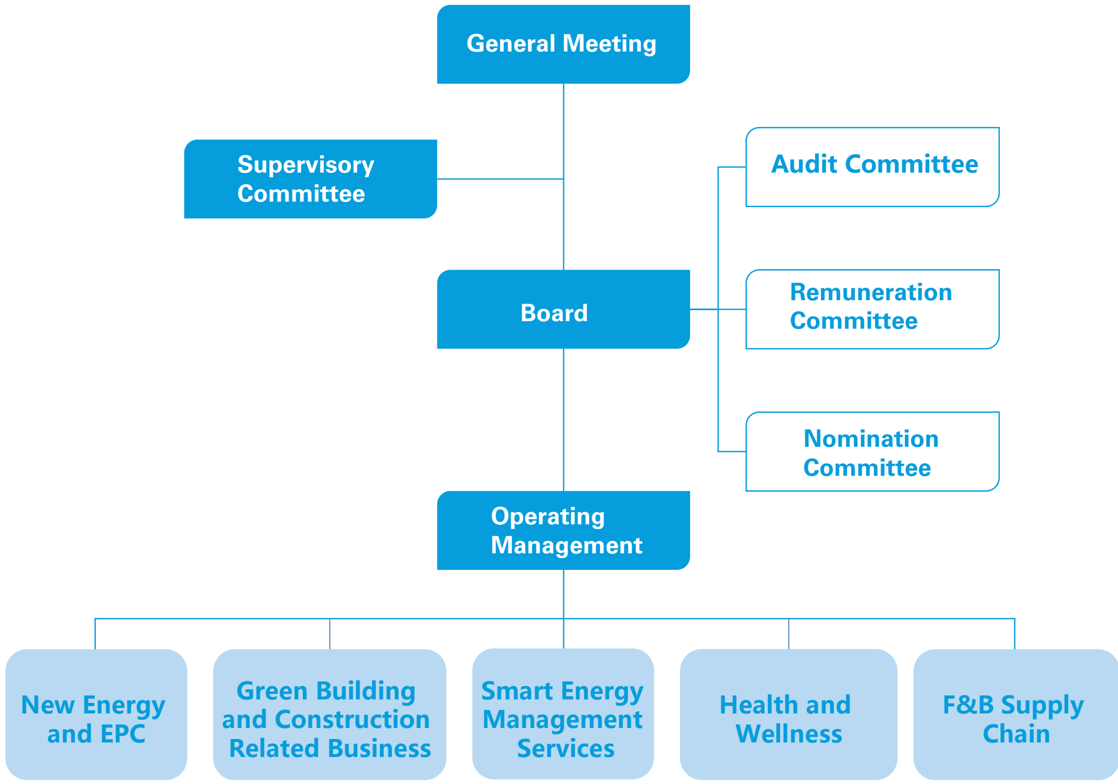


Figure 1: Group Governance Structure

(ii) Sustainable Development Governance

During the Reporting Period, the Board of the Group was fully responsible for the Group's ESG strategies and reporting. The Board is responsible for evaluating and identifying the Group's ESG-related risks, and ensuring the establishment of appropriate and effective ESG risk management and internal control systems. Our Management are delegated the responsibility of coordinating the implementation of the Group's environment, employment and service quality assurance policies.

The Board leads and provides direction to Management by developing ESG policies and initiatives, supervising their implementation and monitoring ESG performance. The Board continues to explore ways to further strengthen the ESG governance of the Group. The Board reviews ESG affairs regularly, including environmental protection, employment and labour practices, operating practices and community investment, and implements appropriate measures to enhance the ESG performance of the Group.

During the Reporting Period, in order to further address regulatory disclosure requirements and establish a robust ESG management framework, we formed an ESG Task Force. This task force is dedicated to systematically and regularly handling ESG reporting and disclosure matters, establishing ESG management structures and mechanisms, and facilitating the establishment of the Group's ESG department. We plan to focus on the construction of the Group's ESG management system in 2024. This includes setting up governance structures and working mechanisms that cover decision-making, management, and execution levels. It aims to clarify the responsibilities of functional departments, business segments, and business lines, including but not limited to budget preparation, organizational structure establishment, process optimization, and personnel recruitment.

CORPORATE GOALS AND VISIONS

Central New Energy is committed to green development and contributing to a low-carbon China. Guided by the core belief of "responsibility at heart", the Company aspires to be a respected and outstanding enterprise in society. In active response to the national call, the Group focuses on the high-end photovoltaic manufacturing during our transformation and development under the "dual carbon" goal by building on TOPCon battery technology. Through delivering excellent product quality and higher performance, the Group aims to continuously create value for customers and contribute to the development of the national low-carbon new energy industry. Meanwhile, the Group is expanding into industrial internet, technology innovation investment, supply chain, and smart logistics sectors, pursuing high-quality and sustainable development. The goal is to become an outstanding enterprise in the photovoltaic field.

MATERIALITY ASSESSMENT

During the Reporting Year, the Group identified a total of 27 material issues, including 7 environmental issues, 16 social issues, and 4 governance issues. Through an online questionnaire, we invited internal and external stakeholders to assess the materiality of these issues from two dimensions of "importance to external stakeholders" and "importance to the sustainable development of the Group", as well as to express their opinions and suggestions on the Group's sustainable development strategy, relevant performance, reporting methods, disclosure quality, and other aspects.

Step	Process	Description
1	Preliminary identification of material issues	Conduct preliminary identification of ESG material issues with reference to the regulatory requirements of the Stock Exchange's ESG Reporting Guide, GRI Standards, material issues issued by the Sustainability Accounting Standards Board (SASB), major ESG rating agencies and information from listed companies in the same industry in Hong Kong.
2	Stakeholder interviews and communication	Conduct interviews and on-site investigations with executives of the Group and its subsidiaries to understand the performance and requirements in ESG aspects for each business segment in 2023.
3	Questionnaire analysis	Conduct ESG material issue surveys in the form of questionnaires among internal and external stakeholders of the Group, and gather stakeholders' ranking of the importance of material issues and their opinions and suggestions on the Group's ESG practices.
4	Adjustment and confirmation of material issue ranking	Based on the interviews, communication and survey findings, statistically analyze the issue scores and allocate weights to issues based on their importance to internal and external stakeholders, develop the ESG issue materiality matrix for 2023 based on the dimensions of "importance to external stakeholders" and "importance to the sustainable development of the Group", and review and evaluate the selected results by internal management and external experts.
5	Responses to and disclosure of material issues	For material issues, provide key responses and disclosures in the report and develop corresponding action plans.

Material Issues Assessment Process

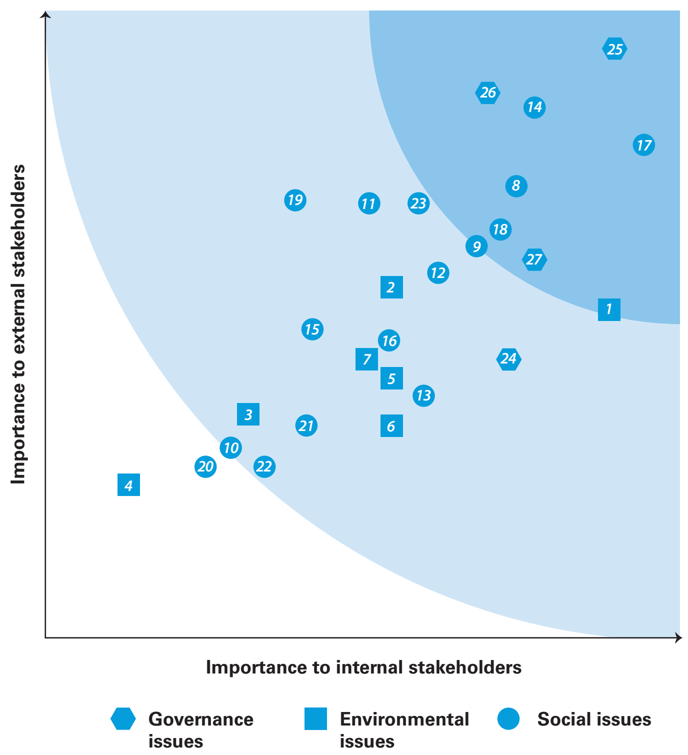
STAKEHOLDERS COMMUNICATION

Central New Energy firmly believes that the sustainable development of a company relies on the input and engagement of stakeholders. We actively listen to the voices of stakeholders and use them as a basis for further enhancing the Company's ESG practices. During the Reporting Year, we identified six categories of key internal and external stakeholders, including government and regulatory bodies, Shareholders and investors, suppliers and partners, customers, communities and employees. We establish various communication channels to regularly collect and respond to the expectations and requirements of each stakeholder group.

Stakeholders	Sustainable development issues in focus	Main communication channels
Government and Regulatory bodies	• Anti-corruption • Emissions, sewage discharge and waste management • Labour standards • Risk management and compliance • Business ethics	• Onsite visits and inspections • Working report • Policy implementation • Information disclosure • Industry exchanges and collabouration
Shareholders and Investors	• Risk management and compliance • Anti-corruption • Product liability • R&D and innovation • Energy management	• General meeting of shareholders • Periodic reports and announcements • Performance briefings • Investor hotline • Telephone and email communication
Suppliers & Partners	• Risk management and compliance • Emissions, sewage discharge and waste management • Corporate governance • Health and safety • Labour standards	• Supplier assessment • Supplier code of conduct • Irregular site visits • Telephone and email communication
Customers	• Risk management and compliance • Product liability • Business ethics • Anti-corruption • Emissions, sewage discharge and waste management	• Industry exhibitions • Satisfaction survey • Regular visits • Telephone and email inquiries • Official complaint channels
Community	• Product liability • Risk management and compliance • Anti-corruption • Emissions, sewage discharge and waste management • Employee compensation and benefits	• Public welfare activities • Public welfare donation • Corporate open day
Employees	• Employee compensation and benefits • Health and safety • Labour standards • Risk management and compliance • Anti-corruption	• Employee symposium • Staff training • Satisfaction survey • Complaints and feedback • Employee activities

Environmental, Social and Governance Report

During the Reporting Year, the Group and stakeholders have identified the following significant areas and aspects:



Material Issues Identification of Central New Energy

Environmental

1	Emissions management	2	Energy management	3	Use of Resource
4	Climate change	5	Water resources management	6	Environment and natural resources
7	Green energy use and innovation				

Social

8	Health and safety	9	Labour standards	10	Development and training
11	Protection of employee rights and interests	12	Employment	13	Employee compensation and benefits
14	Product liability	15	Product design and full life cycle	16	Supply chain management
17	R&D and innovation	18	Intellectual property protection	19	Information security management
20	Diversity and inclusion	21	Industry cooperation and exchange	22	Community investment
23	Protection of consumer rights and interests				

Governance

24	Corporate governance	25	Risk management and compliance	26	Anti-corruption
27	Business ethics				

A. ENVIRONMENTAL ASPECT

A1 Emissions

Central New Energy adheres to the concept of green development and is committed to building an environmentally friendly enterprise. We are steadfast in promoting green and low-carbon transformation, continuously deepening our green operation models, sounding the "call to action" for green energy, and drawing the "circle of unity" for a green China. The Group strictly complies with national and regional industry standards and environmental laws and regulations in the places of operation, such as the Law of the People's Republic of China on Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Air Pollution, the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Wastes, the Emission Standards of Pollutants for Battery Industry (GB 30484-2013), and the Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348-2008). We carry out environmental management to properly dispose of or treat various emissions generated during production and operation, so as to ensure that wastewater, exhaust gas and noise emissions meet required standards, and solid waste is managed and disposed in a standardized manner.

During the Reporting Period, the emissions generated by the Group in the operational process mainly include greenhouse gases and air pollutants resulting from the purchase of external electricity, use of fuel and vehicle oil, production wastewater, domestic wastewater, general solid wastes such as household waste and packaging waste, and hazardous solid waste such as physical and chemical sludge. We have set emission targets at the Fengtai Base and carried out environmental management to properly dispose of or treat various emissions during production and operation, so as to ensure that wastewater, exhaust gas and noise emissions meet required standards, and solid waste is managed and disposed in a standardized manner.

	Compliance of air emission standards	Compliance of noise emission standards	Solid waste compliance	COD of wastewater discharge
Set target	100%	100%	100%	≤130 mg/L
Actual achievement	100%	100%	100%	19.69 mg/L

(i) Hazardous and Non-hazardous Air Emissions

- *Hazardous air emissions*

  The air emissions of generated by the Group mainly consist of sulfur oxides (SO_x), nitrogen oxides (NO_x), particulate matter (PM) and volatile organic compounds (VOCs) produced during the production and operation of the Fengtai Base. Central Low Carbon New Energy has formulated and implemented the Exhaust Gas Emission Control Procedures, Chemical Management Procedures and other relevant system documents for the management of exhaust gas emissions, and set up exhaust gas collection and treatment devices to ensure that the exhaust gas is discharged in compliance with the standards.

  The air pollutant emissions from the Group during the Reporting Period are set out below:

Type of air pollutant	Unit	2023
Nitrogen oxides (NO_X)	kilogram	**444.19**
Sulfur oxides (SO_x)	kilogram	**0.48**
Particulate matter (PM)	kilogram	**908.83**
Volatile organic compounds (VOCs)	kilogram	**2,817.07**

- *Greenhouse gas emission*

  The Group's greenhouse gas emissions mainly come from direct emissions from fixed combustion and mobile vehicle use, and indirect emissions from purchased electricity.

  Details of the Group's greenhouse gas emissions during the Reporting Period are set out below:

Type of indicator	Unit	2023
Scope 1: Direct emissions	tCO_2e	**149.36**
Scope 2: Indirect emissions	tCO_2e	**69,767.39**
Total greenhouse gas emissions (Scope 1 + Scope 2)	tCO_2e	**69,916.75**
Greenhouse gas emission intensity	tCO_2e/Revenue (HK$ million)	**17.36**

(ii) Waste Management

The hazardous waste generated by the Group mainly includes chemical waste such as waste organic solvents, waste lubricating oil, and waste chemical packaging materials. Our non-hazardous waste mainly includes sludge, waste soil, and household waste. Through our Solid Waste Management Procedures and in conjunction with multiple departments at our Fengtai Base, we have established comprehensive control measures for general solid waste and hazardous waste generated during the production and operation processes, including the entire process of generation, identification, collection, storage, transfer, and disposal. We have engaged qualified agencies with hazardous waste operation licenses and pollution discharge permits to handle recyclable waste and hazardous waste.

Data on hazardous waste and non-hazardous waste generated by the Group during the Reporting Period are set out below:

Type of waste	Unit	2023
Total hazardous waste generation	Tonne	**8.66**
Hazardous waste generation intensity	Tonne/revenue (HK$ million)	**0.0021**

Type of waste	Unit	2023
Total non-hazardous waste generation	Tonne	**3,096.38**
Non-hazardous waste generation intensity	Tonne/revenue (HK$ million)	**0.77**

(iii) Wastewater Management

We have formulated and implemented system documents such as Standard Operating Guidelines for Wastewater Treatment Stations, Operating Guidelines for Chemical Filling at Wastewater Stations and Standard Operating Guidelines for Labouratory Testing, and installed monitoring equipment at the main wastewater discharge port to conduct real-time online monitoring of wastewater discharge and treatment. All non-recyclable wastewater reaches the Emission Standards of Pollutants for Battery Industry (GB30484- 2013) after treatment.

Wastewater discharges generated by the Group mainly come from hydrofluoric acid rinsing wastewater, RO concentrated water, alkaline wastewater, ammonium sulfate wastewater, acidic wastewater and domestic sewage generated in the course of production and operation of the Fengtai Base.

During the Reporting Period, the wastewater discharge of the Group is set out below:

Wastewater type	Unit	2023
Hydrofluoric acid rinsing wastewater	Tonne	**643,162.50**
RO concentrated water	Tonne	**241,897.00**
Alkaline wastewater	Tonne	**21,749.00**
Ammonium sulfate wastewater	Tonne	**14,305.00**
Acidic wastewater	Tonne	**6,244.50**
Domestic sewage	Tonne	**19,132.00**

(iv) Mitigation Measure

Central New Energy adheres to the concept of green development and is committed to building an environmentally friendly enterprise. We are steadfast in promoting green and low-carbon transformation, continuously deepening our green operation models, sounding the "call to action" for green energy, and drawing the "circle of unity" for a green China. During the Reporting Period, we set emission targets for our Fengtai Base where we carried out environmental management to properly dispose of or treat various emissions generated during production and operation, so as to ensure that exhaust gas, wastewater and noise emissions meet required standards, and solid waste is managed and disposed in a standardized manner.

	Compliance of air emission standards	Compliance of noise emission standards	Solid waste compliance	COD of wastewater discharge
Set target	100%	100%	100%	≤130 mg/L
Actual achievement	100%	100%	100%	19.69 mg/L

A2 Use of Resources

The Group's main energy consumption during operations includes purchased electricity, gasoline for vehicles, natural gas, and liquefied petroleum gas. Our water consumption mainly includes office and domestic water usage, as well as clean and production water required for the Fengtai Base. We continuously optimize our energy management system and have established regulations such as the Energy Management Procedure to standardize the management of the use of energy such as electricity, water, and natural gas, so as to ensure reasonable and effective utilization, reduce energy consumption, and improve energy efficiency.

During the Reporting Period, the Group's energy consumption is set out below:

Type of energy		Unit	2023
Direct energy consumption	Gasoline	Liter	**32,425.00**
	Natural gas	Cubic meter	**21,531.00**
	Liquefied petroleum gas	Tonne	**7.73**
	Photovoltaic power generation	kWh	**7,055,573.00**
Indirect energy consumption	Purchased electricity	kWh	**122,334,549.38**
Total comprehensive energy consumption		kWh	**129,954,121.36**
Comprehensive energy consumption intensity		kWh/revenue (HK$ million)	**32,260.30**

(i) Energy Consumption Management

The Group continuously promotes the construction and improvement of its energy consumption management system. During the Reporting Period, the Group's Fengtai Base put into operation the FMCS (Facility Monitoring Control System) and adopted the operation and management mode of centralized shift scheduling and regular inspection. We have set targets for the energy consumption of batteries and components, and as of the end of the Reporting Period, the respective comprehensive energy consumption per unit of battery and component had reached the pre-determined targets.

	Comprehensive energy consumption per unit of battery	Comprehensive energy consumption per unit of component
Set target	8.60 tonnes of standard coal/MW	2.46 tonnes of standard coal/MW
Actual achievement	8.32 tonnes of standard coal/MW	1.74 tonnes of standard coal/MW

(ii) Water Resource Management

The Group's water source is supplied by the municipal water system, and there are no direct or indirect significant impacts on water resources resulting from changes in water intake, consumption, discharge or storage. We have effectively strengthened our water resources management through setting water conservation targets, implementing a number of water conservation initiatives in our production and operational activities, and carrying out special training on water conservation.

During the Reporting Period, the Group's water consumption is set out below:

Water consumption	Unit	2023
Total water consumption	Tonne	**1,487,645.00**
Water consumption intensity	Tonne/revenue (HK$ million)	**369.30**

(iii) Packaging Material Management

We are committed to building a resource-saving and environment-friendly enterprise and actively promote the reduction and recycling of packaging materials to minimize the impact on the ecological environment. During the Reporting Period, the Group's consumption of packaging materials was primarily concentrated on battery and component products, which mainly included cartons, cardboard, wooden pallets, packing tapes, wrapping films and corner protectors, with a total usage of 765 tonnes. The specific breakdown is as follows:

Packaging material category	Unit	2023
Plastics	Tonne	**22**
Paper-based	Tonne	**345**
Metal	Tonne	**23**
Other packaging materials	Tonne	**375**
Total consumption of packaging materials	Tonne	**765**
Packaging material consumption intensity	Tonne/revenue (HK$ million)	**0.19**

A3 Environment and Natural Resources

The Group strictly complies with laws and regulations relating to environmental protection in the places of operation, such as the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Air Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, as well as the relevant requirements that are newly implemented or revised. During the Reporting Period, the Group was not aware of any cases of non-compliance with laws and regulations that have a significant impact on the Group in relation to air and greenhouse gas emissions, noise control, discharges into water and land, and generation of hazardous and non-hazardous waste.

The Group continued to promote the construction and improvement of its environmental management system and encouraged its subsidiaries to obtain the ISO 14001 certification. During the Reporting Period, a total of 2 key subsidiaries of the Group obtained ISO 14001 environmental management system certification.


中质协质量保证中心
环境管理体系认证证书
注册号：00621E30917R2M
兹证明
安徽中港物业服务有限公司
统一社会信用代码：91340100779066344E
注册地址：中国·安徽省·合肥市经济技术开发区繁华大道12227号中环控股集团大厦A座22层
审核地址：中国·安徽省·合肥市中环城云邸9号楼物业服务中心
环境管理体系符合
GB/T 24001-2016/ ISO 14001:2015
认证范围
物业管理服务。
该组织常设分场所信息："无"
本证书有效期：2021年08月25日 至 2024年08月28日
再认证审核时间：2021年08月10日 至 2021年08月13日
证书有效期内每年监督审核合格后方为有效，证书有效性查询请登陆 www.qac.com.cn;
本证书信息可在国家认证认可监督管理委员会官方网站 www.cnca.gov.cn 上查询
中质协质量保证中心
代表签字：
颁证日期：2021年08月25日
北京市海淀区三虎桥百胜村6号. 100048.

Zhong Gang Property


环境管理体系认证证书
证书编码：FAP23E0099R0
统一社会信用代码：91340400MA8P9PA644
兹证明：
中环低碳（安徽）新能源光伏科技有限公司
环境管理体系符合：
GB/T 24001-2016/ISO 14001:2015 标准
证书覆盖范围：光伏组件的生产及其相关管理活动
注册地址：安徽省淮南市凤台县经济开发区工谷智能装备产业园3#厂区2#办公楼3层
审核地址：安徽省淮南市凤台县经济开发区工谷智能装备产业园2#组件车间
颁证日期：2023年6月27日
有效期至：2026年6月26日
初次颁证日期：2023年6月27日
请于2024年6月26日前进行监督或再认证审核，逾期未通过审核，本证书作废。
本证书信息可在国家认证认可监督管理委员会官方网站（http://www.cnca.gov.cn）查询
签发人：
证书有效性以左侧二维码扫描内容为准
本证书须在国家规定的各行政许可、资质及强制性产品认证有效期内并正常接受年度审核的情况下保持有效。
法平认证（上海）有限公司网址：www.fapiso.com
法平认证（上海）有限公司
地址：中国上海市 嘉定区安亭镇墨玉路28号504室

Central Low Carbon New Energy

Figure 2: ISO 14001 Environmental Management System Certification obtained by the Group

A4 Climate Change

The Group understands that stakeholders expect us to manage and mitigate climate change risks in line with local and global commitments and recommendations. Given the world transitions to a lower-carbon sustainable economy, the Group is committed to contributing to this issue.

During the Reporting Period, there were no events or matters in the Group's business and activities that resulted in significant changes in climate.

B. SOCIAL ASPECTS

B1 Employment

(i) Staff Composition

Central New Energy attaches great importance to the compliance of relevant employment and labour laws and regulations in Hong Kong and Mainland China, and strictly follows the requirements of the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Anti- Discrimination Ordinance and the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and other relevant laws and regulations of the countries and regions in which it operates. By adhering to the principles of equal opportunity and anti-discrimination, we are committed to building a diverse, equal and inclusive working environment without any discrimination based on ethnicity, geography, religious beliefs, gender, age, disability, marital status, etc., thereby ensuring that every employee enjoys equal opportunities and receives fair treatment in terms of recruitment, career development, promotion, training and rewards.

As at the end of the Reporting Period, the Group had a total of 1,469 employees, of which 1,457 were permanent employees and 12 were part-time employees, and 536 were female employees, accounting for 36.49%. The number and proportion of employees by employment type, gender, employment role, age and geographical region are set out below:

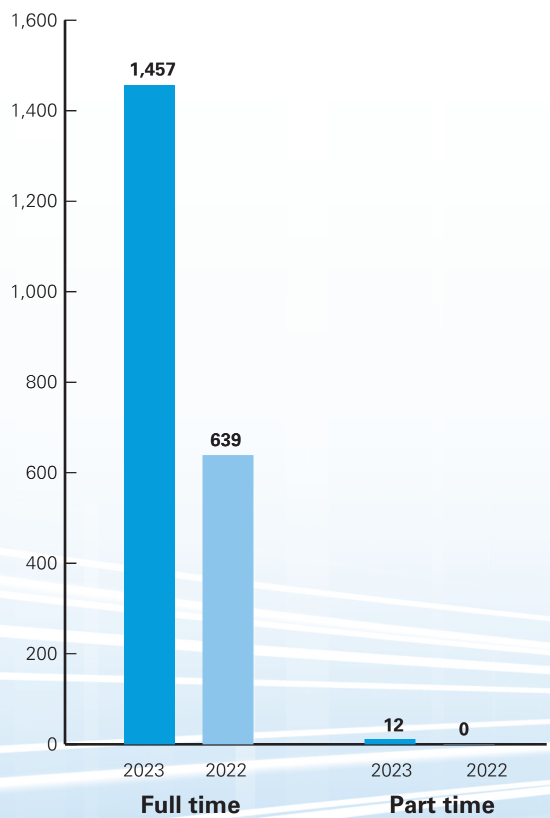


Figure 3: Number of Employees by Employment Type

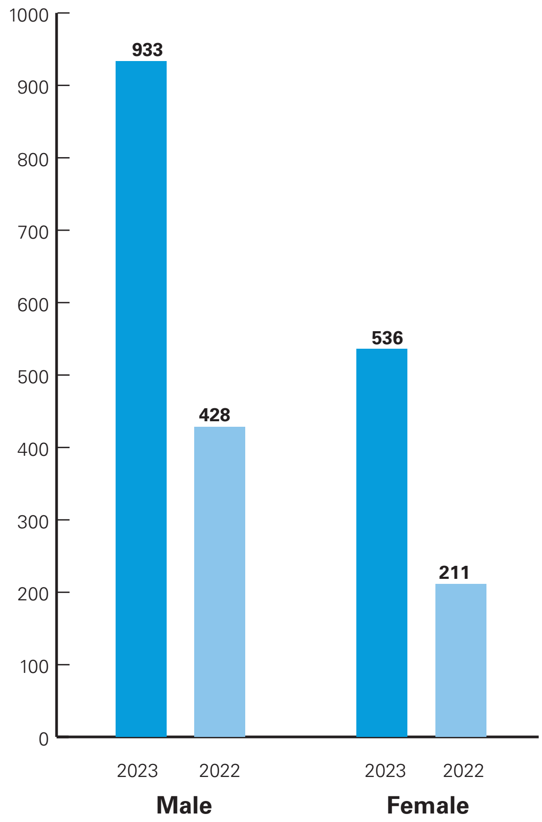


Figure 4: Number of Employees by Gender

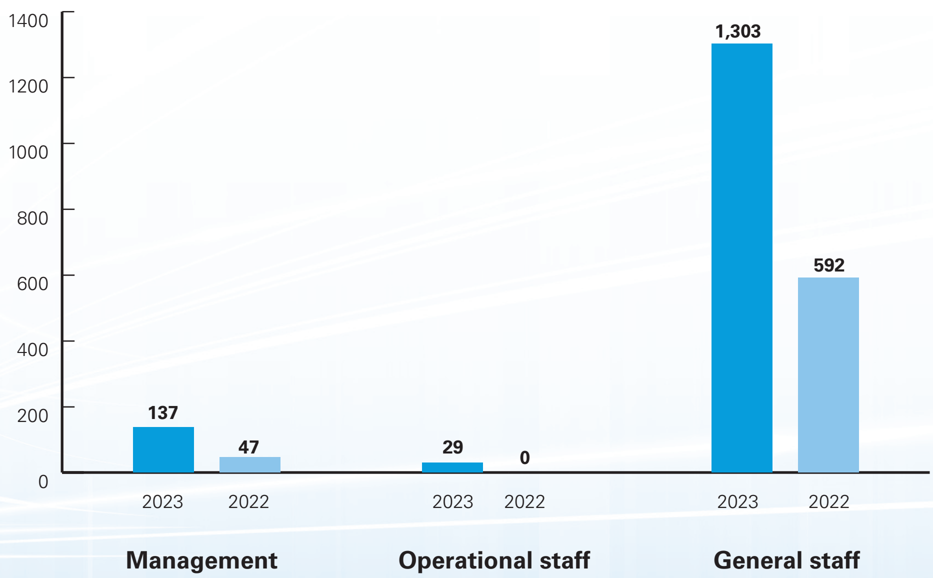


Figure 5: Number of Employees by Employment Role

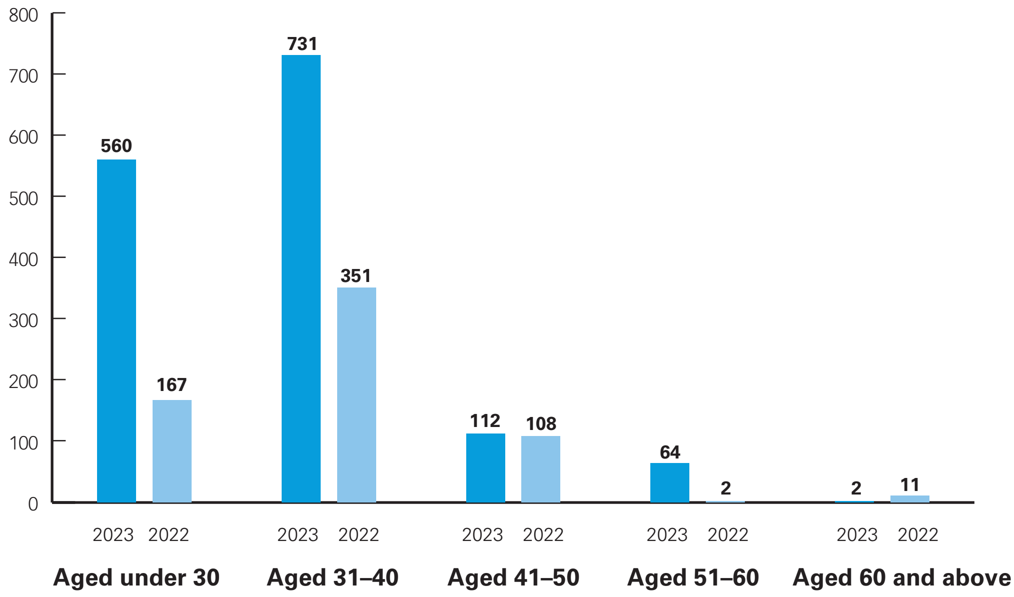


Figure 6: Number of Employees by Age

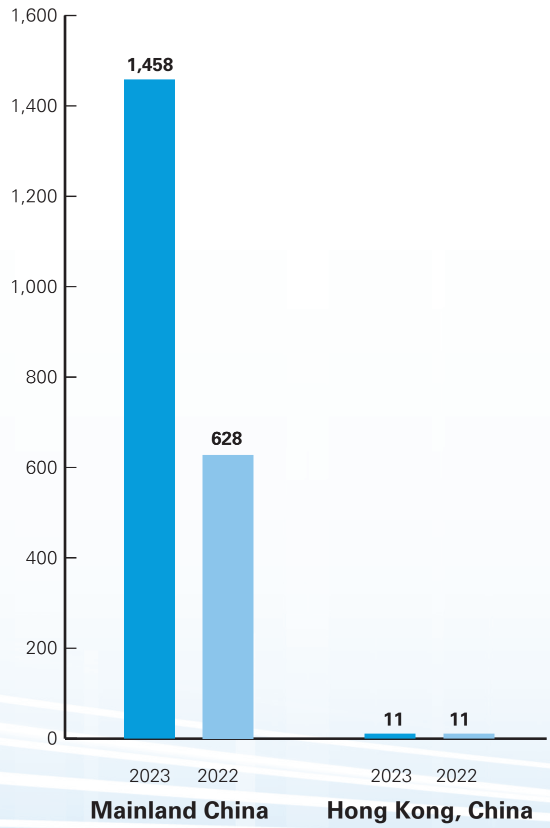


Figure 7: Number of Employees by Geographical Region

(ii) Employee Turnover

During the Reporting Year, 770 employees of the Group left the Group due to career development with an overall employee turnover rate of 34.39%. A breakdown of the employee turnover rate by gender, age and geographical region is set out below:

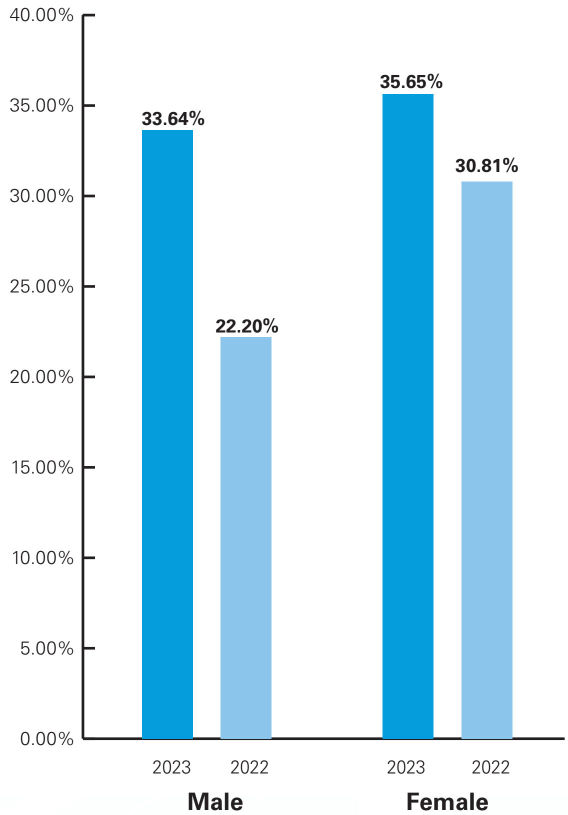


Figure 8: Employee Turnover Rate by Gender

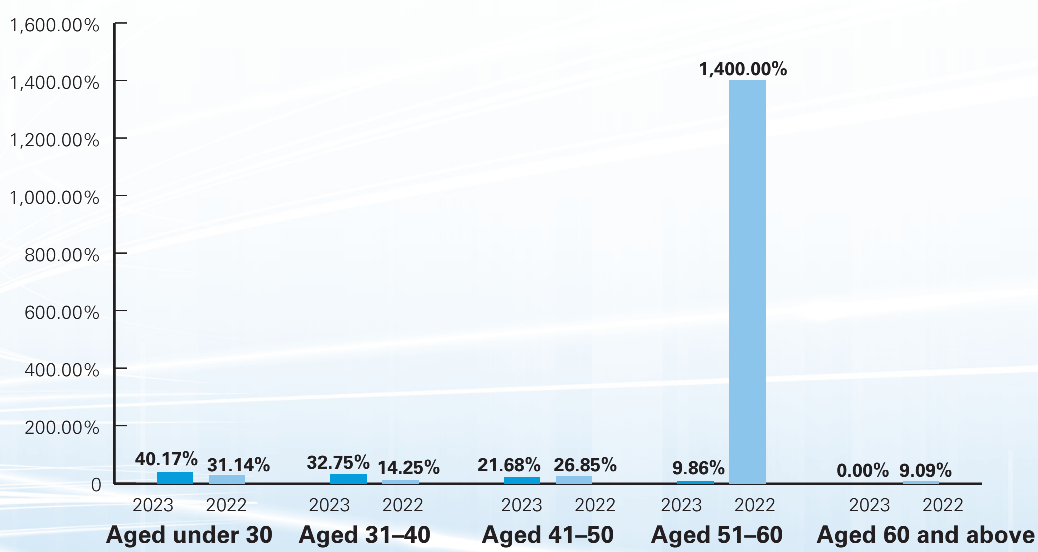


Figure 9: Employee Turnover Rate by Age

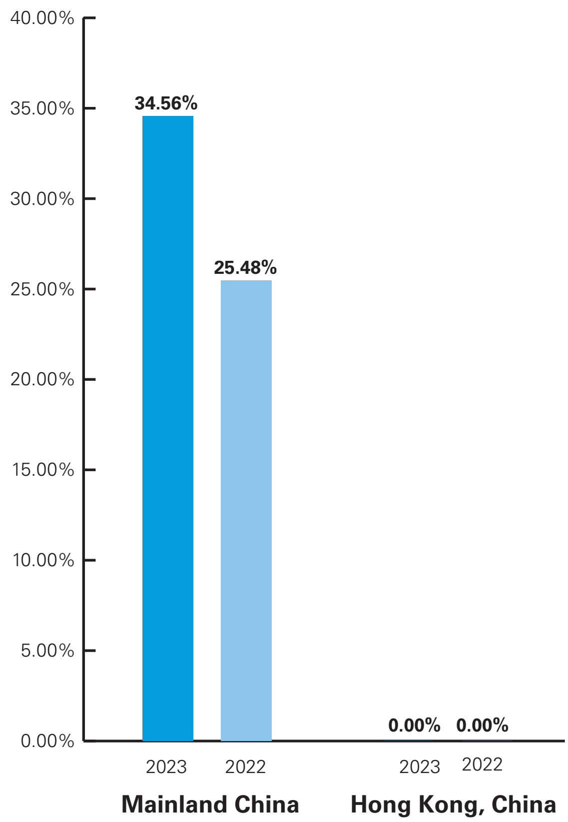


Figure 10: Employee Turnover Rate by Geographical Region

During the Reporting Year, the Group was not aware of any cases of non-compliance with laws and regulations that have a significant impact on the Group in relation to compensation and dismissal, recruitment or promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination or other benefits and welfare.

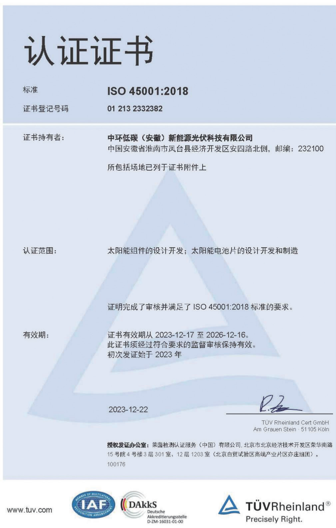
B2 Health and Safety

Central New Energy has always placed a high priority on the health and safety of its employees, and regards it as an integral part of the sustainable development of its business operations. We strictly comply with the Production Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and other relevant laws and regulations of the countries and regions in which we operate, and have formulated and implemented various types of occupational health and safety management systems. We strengthen the safety management and control, carry out safety education and training, and organize safety activities in order to comprehensively consolidate the safety management to ensure the stable production and operation.

During the past three years (including the Reporting Year), the Group did not experience any work-related fatalities. During the Reporting Year, the Group recorded a total of 192 days of lost working days due to work-related injuries.

(i) System Development

The Group continued to promote and improve its occupational health and safety management system, with our subsidiaries, Central Low Carbon New Energy and Zhong Gang Property passing the ISO 45001 certification for occupational safety management system. In order to further establish and improve the Company's production safety responsibility system, strengthen production safety management, improve the level of production safety management and deal with emergencies in the plant in a timely and effective manner, we have established the EHS (Environment, Health and Safety) Committee (the "**EHS Committee**") in July 2023, which is responsible for implementing the laws and regulations related to occupational health at Fengtai Base, formulating annual, quarterly and monthly production safety objectives and implementation plans, and organizing and carrying out various occupational health tests and other EHS-related work.



认证证书

ISO 45001:2018

01 213 2332382

中环低碳（安徽）新能源光伏科技有限公司

职业健康安全管理体系认证证书

中环低碳（安徽）新能源光伏科技有限公司

GB/T45001-2020/ISO 45001:2018 标准

法平认证（上海）有限公司

职业健康安全管理体系认证证书

安徽中港物业服务有限公司

GB/T 45001-2020/ ISO 45001:2018

物业管理服务。

Central Low Carbon New Energy　　Zhong Gang Property

Figure 11: ISO 45001 Occupational Health and Safety Management System Certification obtained by the Group

(ii) Occupational Health

To ensure the safety of the personnel in the operating area of Fengtai Base, Central Low Carbon New Energy stipulates that the personnel on duty should be equipped with appropriate protective devices and working equipment that meet the safety standard requirements, and that regular inspections and maintenance should be carried out for such devices and equipment. In compliance with the requirements of the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, we have engaged a third-party agency to conduct comprehensive testing of occupational hazards for the plant workshops. Corresponding occupational hazards notification cards and isolation barriers will be set up in certain workplaces based on the test results to provide safety information and warnings. During the Reporting Year, the Group invested RMB1,195,080 regarding the occupational health and safety of the employees at Fengtai Base.

During the Reporting Period, we also developed specific occupational health notifications for 16 categories of battery and component workshops according to the differences in the job duties of employees. In order to further enhance the safety awareness of our employees, strengthen employees' attention to safe workplaces and deepen the Company's safety risk culture, we provide our employees with a series of education on production safety and occupational health, such as regular trainings and special trainings.

B3 Development and Training

Talent is an important driving force behind transformation and change. By harnessing talent, an organization can accelerate its development and progress on the "fast lane" of growth. In order to select outstanding talents and motivate employees to continuously improve their business knowledge, skills and working capability, the Group has formulated the "Promotion and Career Advancement Management Measures" to provide employees with a clear career growth framework, which includes planning for promotion opportunities and salary advancement. The Group adheres to the principles of "hierarchical personnel, diversified methods, and enriched content" in talent development. We have established the "Training Management System" and offer a variety of courses and support to employees through training programs focused on knowledge, skills, and mindset development. We also encourage employees to obtain professional qualifications related to their job functions. Upon completion of the courses and passing the certification examinations, employees are eligible for reimbursement of examination fees.

The breakdown of the percentage of the Group's employees trained during the Reporting Year by gender and function is as follows:

Training		Internal	External
Trained staff			
2023	Percentage	85.91%	1.77%
Male			
2023	Percentage	63.00%	76.92%
Female			
2023	Percentage	37.00%	23.08%
Management			
2023	Percentage	8.80%	88.46%
Operational staff			
2023	Percentage	2.22%	11.54%
General staff			
2023	Percentage	88.99%	–

The breakdown of training hours by gender and function during the Reporting Year is as follows:

Average hours of training per employee	Unit	Internal	External
Per employee			
2023	Hour	25.32	0.32
Male			
2023	Hour	23.87	0.17
Females			
2023	Hour	26.73	0.03
Management			
2023	Hour	1.62	3.39
Operational staff			
2023	Hour	1.93	0.21
General staff			
2023	Hour	28.33	–

B4 Labour Standards

We insist on legal and compliant employment and strictly comply with labour standards and laws and regulations such as the Law of the People's Republic of China on the Protection of Minors and the Provisions on the Prohibition of Using Child Labour to ensure that every employee meets the legal employment conditions. The Group has established documents such as the "Recruitment Management System" and "Employee Handbook" to standardize talent employment management. In the process of employee recruitment and onboarding, we thoroughly review the identity and age of the candidates, and ensure that the identity of the candidates is true and valid through inquiries, identity document verification and confirmation of the candidates by signing letter of undertakings, so as to eliminate the employment of child labour and forced labour.

During the Reporting Period, the Group did not employ child labour or forced labour.

B5 Supply Chain Management

The Group is committed to the effective management of its supply chain, continuously improving its supply chain management system and maintaining close and long-term cooperative relationships with major suppliers. The Group values the cooperation with suppliers and subcontractors and works together with them to promote sustainable development of the industry.

(i) Supplier Management

We continuously improve our supply chain management system and have developed and implemented internal procurement and tendering management methods, such as the "Tendering Management System", "Equipment Tendering Management Regulations", "Equipment Procurement Management System" and "New Supplier Development Management System" to ensure the institutionalization and systematization of our supply chain management. Before developing new suppliers, the Group will review their corporate information, including but not limited to business licenses, environmental assessment approvals, acceptance reports and other materials.

During the Reporting Year, we had 411 cooperative suppliers. In order to minimize cost and delivery time and to support the development of the local economy, the Group procured all raw materials and accessories from suppliers in Mainland China during the Reporting Year. All of our suppliers are from Mainland China.

The Group also conducts regular factory inspections and supplier performance evaluations for existing suppliers. If any supplier is found to have any misconduct in the production process or fails to meet the Group's performance standards, we will issue warnings to the supplier. If the supplier fails to take any corrective measures in a timely manner, the Group will cancel its status as a supplier. During the Reporting Period, we carried out assessments on 25 major suppliers.

(ii) Supplier Responsibility

We advocate for a sustainable supply chain by signing the "Quality, Environment and Safety Agreement" with our suppliers during the supplier introduction process, guiding them to pay attention to environmental protection and advocating for the establishment of a sound environmental management system. Among our suppliers, 155 of them have obtained the quality management system certification (ISO 9001) and 112 of them have obtained the environmental management system certification (ISO 14001).

B6 Product Liability

By adhering to the concept of "Empowering Photovoltaic Manufacturing with High Quality and Efficient Products" and strictly complying with relevant laws, regulations and industry standards applicable to quality and safety, such as the Product Quality Law of the People's Republic of China, the Standardization Law of the People's Republic of China, the Regulations of the People's Republic of China on the Administration of Industrial Product Production License, the Group continuously improves its quality management system to ensure that quality management is implemented in every aspect of its production and operation.

As of the end of the Reporting Period, the mass-produced N-type TopCon battery at Fengtai Base have achieved technological iterations from N-TOPCon-Gen 1.0 to N-TOPCon-Gen 2.0, and the product quality has been recognized by the National Photovoltaic Industry Metrology Testing Center, an authoritative third-party in the photovoltaic industry, with the conversion efficiency increasing from 25.50% to 26.05% and the open-circuit voltage reaching 733.3mV. The goal of mass-produced battery products planned for 2024 was realized ahead of schedule.

The component series products developed by us have also demonstrated outstanding performance. The CHGMN ultra-efficient component series products have characteristics such as high conversion efficiency, high power, high bifaciality, low degradation, and low temperature coefficient. The average efficiency of mass production exceeds 22.50%, and the maximum bifaciality can reach up to 80.00%. They provide customers with 30-year product performance guarantees with high power generation capacity and high reliability.

In addition, Central DigiTech is committed to providing customers with smart energy management services. Through the "Generation-Network-Load-Storage" solution, "multi-energy coupling" technology, and AI-based energy management platform, the company focuses on various aspects such as smart air compressors, smart air conditioning, smart boilers, smart motors, and network-connected smart lighting to create smart zero-carbon solutions. These solutions aim to achieve cost reduction, efficiency improvement, energy conservation and consumption reduction, and empower sustainable development.

Central DigiTech implements integrated solutions for its customers with the core objective of reducing system energy consumption in an all- rounded manner and to the largest extent. Leveraging its own industry experience, Central DigiTech identifies potential energy-saving points for its customers and deploys the hardware and software configurations accordingly, so as to realize the reduction of carbon emissions through the reduction of energy consumption at the source end.

During the Reporting Year, Central DigiTech deployed central air-conditioning smart control systems to realize smart control of refrigeration stations as well as energy saving and consumption reduction, effectively reducing the power consumption of the entire refrigeration system and providing customers with smart energy saving solutions. Central DigiTech also has smart energy saving experience in areas such as smart lighting energy saving and smart control and energy saving of compressed air stations.

(i) Quality Management System

In order to strictly control the quality standards, we have set up a specialized quality management team, formulated and regularly updated system documents such as the "Regulations on Management of Battery Quality Red Line "and "Regulations on Production and Management of Standard Battery Cell", so as to safeguard the quality and safety of photovoltaic batteries and component throughout their life cycle. During the Reporting Period, the Group's Fengtai Base passed the ISO9001:2015 quality management system certification. Our products have also received certifications from institutions such as RoHS (Restriction of Hazardous Substances Directive), China Quality Certification Centre (CQC), Germany's TÜV Rheinland, demonstrating the stable and reliable performance of our products in terms of quality.

质量管理体系认证证书

证书编码：FAP23Q0054R0
统一社会信用代码：91340400MA8P9PA644
兹证明：

中环低碳（安徽）新能源光伏科技有限公司

质量管理体系符合：
GB/T 19001-2016/ISO 9001:2015 标准

证书覆盖范围：光伏组件的生产
注册地址：安徽省淮南市凤台县经济开发区工谷智能装备产业园 3＃厂区 2＃办公楼 3 层
审核地址：安徽省淮南市凤台县经济开发区工谷智能装备产业园 2＃组件车间

颁证日期：2023 年 6 月 29 日
有效期至：2026 年 4 月 20 日
初次颁证日期：2023 年 4 月 21 日

请于 2024 年 4 月 20 日前进行监督或再认证审核，逾期未通过审核，本证书作废。
本证书信息可在国家认证认可监督管理委员会官方网站（http://www.cnca.gov.cn）查询

QUALITY MANAGEMENT SYSTEM FAP ISO9001

签发人：

证书有效性以左侧二维码扫描内容为准
本证书须在国家规定的各行政许可、资质及强制性产品认证有效期内并正常接受年度审核的情况下保持有效。
法平认证（上海）有限公司网址: www.fapiso.com

法平认证（上海）有限公司
地址：中国上海市 嘉定区安亭镇墨玉路28号504室

Figure 12: ISO 9001 Quality Management System Certification obtained by the Group

(ii) Product Recall

We attach importance to the rights and interests and safety of our customers, and have formulated and implemented the "Regulations on Management of Customer Returns and Exchanges" and the "Regulations on Handling of Customer Complaints" to regulate the process of product returns and exchanges and to ensure timely resolution and maximum customer satisfaction, so as to enhance customer satisfaction. During the Reporting Period, there were no cases of recall of sold or shipped products at Fengtai Base due to safety and health reasons.

(iii) Customer Communication

In order to gain a deeper insight into customers' needs, opinions and suggestions, and to continuously improve our customer service level, we regularly conduct customer satisfaction surveys following the guidelines of the "Customer Communication Control Procedure". These surveys cover dimensions such as product appearance, performance, packaging, and after-sales service. Based on questionnaire feedback, we analyze and prepare "Customer Satisfaction Survey Analysis Report" and carry out targeted improvement work to ensure product and service quality.

During the Reporting Period, we did not receive any significant customer complaints or damage claims related to product safety, health, or service quality.

(iv) Intellectual Property Protection

The Group strictly complies with relevant laws and regulations such as the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China and the Standards for Corporate Intellectual Property Rights Management (《企業知識產權管理規範》), and respects intellectual property rights and takes all measures to ensure that there is no infringement of intellectual property rights. We have formulated and implemented relevant systems such as the "Intellectual Property Management System", "Intangible Assets Management System", and "Trademark Management Measures", aiming to strengthen the creation, protection and utilization of intellectual property rights, and to enhance the market competitiveness and economic benefits of the Company. We also include intellectual property protection clauses in the cooperation agreements with our suppliers, customers and other partners to maximize the protection of the intellectual property interests of both parties.

During the Reporting Period, the Group did not receive any complaints or allegations of infringement of intellectual property rights.

In order to enhance our core competitiveness and sustainability, we have formulated the "Innovation and Entrepreneurship Technology Management Measures" and "Innovation Improvement Management and Incentive System" in accordance with relevant regulations on national science and technology management. We implement the "Talent + Project", "Talent + Industry", and "Talent + Task" development models, and have established leadership teams and special working groups to encourage employees to achieve personal innovation and entrepreneurship using the Company's own resources, thereby driving innovation-driven development and creating new engines and impetuses.

As of the end of the Reporting Period, the Group was granted a total of 15 patents, including 13 utility model patents, 1 authorized invention patent and 1 design patent.

(v) Privacy Protection

The Group attaches great importance to information security and data protection, and strictly complies with laws and regulations related to information security and privacy protection in the countries and regions where it operates, such as the Personal Information Protection Law of the People's Republic of China and the Cybersecurity Law of the People's Republic of China. We have formulated and continuously optimized a series of standardized management documents such as "Computer Software System Management System", "Computer Emergency Management System", "Computer Network Daily Monitoring Management System" and "Information Equipment Management System". A specialized information security team is responsible for information security capacity building.

To enhance employees' awareness of information security, we provide information security training to newly hired employees, clearly defining information security management responsibilities, system application scenarios and usage guidelines, and sign a "Confidentiality Agreement" with each new employee. In addition, we implement measures such as information hierarchy management, data encryption, access control, and education and training to ensure the secure transmission and storage of data for the Group and its subsidiaries.

During the Reporting Period, the Group did not experience any information security and customer privacy breach.

B7 Anti-corruption

The Group has always adhered to the concept of "Integrity Creates Value" and established a robust "Frugality and Integrity (崇儉敬廉)" system, emphasizing dedicated oversight and integrating various forms of supervision. We maintain a problem-oriented approach and implement precise supervision to achieve effective governance through a chain of actions. We conduct supervision and review through third-party oversight, utilizing reporting hotlines, WeChat accounts, letters, and other means of supervision.

The Group places great emphasis on anti-corruption education and organizes directors to participate in high-level anti-corruption online seminars held by the Independent Commission Against Corruption in Hong Kong. These seminars are designed to help the Company's directors fulfill their roles as leaders of integrity.

In order to further promote the operation and development of the Group, to prevent irregularities in business management and employee behavior, and to guard against violations, disciplinary breaches and fraud risks, each employee of the Group shall sign the "Letter of Commitment to Integrity". The Group also posts posters of integrity construction and releases cases of integrity propaganda in the office areas of various centers and subsidiaries. These efforts aim to foster an atmosphere where everyone values integrity and to enhance employees' awareness of integrity and discipline.

The Discipline Inspection Committee of the Group has established a dedicated internal supervision hotline as a means of communication for internal supervision within the party, conducting timely supervision and review of party organizations' learning, party member development, and party members' violations and illegal activities. Every year, we conduct comprehensive audits, random audits, and special audits targeting various centers and subsidiaries. These audits cover aspects such as system formulation, system implementation, process design, business cooperation, company liquidation, employee behavior, financial activities, and operational development. The goal is to ensure the quality of audit supervision and effectively build a solid defense against violations and illegal conduct.

In addition, when entering into business contracts with customers, suppliers, and partners, we also sign integrity agreements that clearly define the responsibilities, obligations, penalties, and channels for supervision and reporting for both parties regarding integrity in business activities. For cooperating parties who violate the agreement, appropriate measures or penalties such as warnings, termination of cooperation, or fines are applied based on the actual circumstances.

B8 Community Investment

The Group places importance on the parallel development of economic and social benefits and actively assumes social responsibilities. We demonstrate the responsibilities and commitments of private enterprises through practical actions and strive to build harmonious communities and contribute to the healthy development of society. During the Reporting Year, we also dedicated efforts to initiatives such as education support, poverty alleviation and community care, spreading warmth.

During the Reporting Period, the Group's participation in community public welfare activities is set out below:

- In September 2023, Zhejiang Xintianpu donated RMB200,000 to Quzhou Guangcai Promotion Association (衢州市光彩事業促進會) for Quzhou Guangcai Promotion Association • Central Education Charity Fund (衢州市光彩事業促進會 • 中環教育慈善基金);

- In January 2023, the "Great Love of Central Warms Fengtai (大愛中環　情暖鳳台)" initiative launched its 13th Warm Winter Action with a ceremony held at the county conference center. Under the guidance of the Fengtai County government officials, the caring ambassadors from Central Holding Group visited 30 households facing difficulties and provided them with heartwarming supplies and financial aid at the launching ceremony;

- Zhong Gang Property organized a themed event called "Bringing the Community Convenience and Heartwarming Services (便民活動進小區，貼心服務暖人心)". Through free medical consultations, it provided health services to the elderly, demonstrating practical actions to serve the grassroots, the community, improve people's livelihoods, and let residents truly feel the care and warmth of the community.

Independent Auditors' Report

國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE MEMBERS OF CENTRAL NEW ENERGY HOLDING GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Central New Energy Holding Group Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 72 to 154, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties	
Refer to Notes 2.7, 4 and 16 to the consolidated financial statements The Group's investment properties amounted to approximately HK$222,310,000 as at 31 December 2023. Increase in fair value of investment properties of approximately HK$5,185,000 was recognised in the consolidated statement of profit or loss for the year then ended. We identified the valuation of investment properties as a key audit matter due to the key source of estimation uncertainty and the significant assumptions and judgements involved in the valuation. The fair value of the Group's investment properties was determined by adopting the valuation techniques with significant unobservable inputs, assumptions of market conditions and judgements. The Group also worked closely with the independent qualified valuers to establish and determine the appropriate valuation techniques.	Our procedures included, amongst others: • Reviewing the valuation report from independent qualified valuers and discussing with the independent qualified valuer to understand the valuation basis, methodology used and underlying assumptions applied; • Evaluating of the competence, capabilities and objectivity of independent qualified valuers; • Checking on a sample basis the accuracy and relevance of the input data used; and • Engaging our valuation specialists on evaluating the methodologies and assumptions adopted in the valuation.
Expected credit loss of trade receivables	
Refer to Notes 2.11, 2.14, 3.1, 4 and 23 to the consolidated financial statements The balances of trade receivables as at 31 December 2023 were approximately HK$854,367,000, which were material to the consolidated financial statements. The Group has applied the simplified approach in calculating the expected credit loss for trade receivables.	Our procedures included, amongst others: • Discussing with management on the estimation involved in determining the amount of expected credit loss allowance regarding the trade receivables; • Testing the integrity of information used by management for the assessment, including ageing analysis of trade receivables, on a sample basis, by comparing individual items in the analysis with the relevant underlying documents; • Testing, on a sample basis, the collection of receivables after the year end from the customers; • Assessing the reasonableness of the basis and judgement of the management in determining credit loss allowance on trade receivables; and • Evaluating the competence, capabilities and objectivity of the valuation expert engaged by the management.

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

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

The engagement director on the audit resulting in this independent auditors' report is Lo Kin Kei.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Lo Kin Kei
Practising Certificate Number: P06413

Hong Kong, 16 March 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
Revenue	5	**4,028,299**	1,613,641
Direct costs		**(3,855,486)**	(1,582,543)
Gross profit		**172,813**	31,098
Other income and net gains	5	**18,811**	37,866
Gain/(loss) on fair value changes of investment properties		**5,185**	(7,308)
Gain on disposal of investment properties		**1,637**	–
Selling expenses		**(9,448)**	(3,604)
Administrative and other operating expenses		**(80,955)**	(83,542)
Finance costs	6	**(25,190)**	(5,520)
Profit/(loss) before income tax	7	**82,853**	(31,010)
Income tax (expense)/credit	10	**(11,564)**	682
Profit/(loss) for the year		**71,289**	(30,328)
Other comprehensive expense			
Items that may be reclassified subsequently to profit or loss:			
— Exchange differences arising on translation of foreign operations		**(15,668)**	(23,492)
— Reclassification of cumulative translation reserve upon disposal of foreign operations		**(78)**	(832)
Other comprehensive expense for the year, net of tax		**(15,746)**	(24,324)
Total comprehensive income/(expense) for the year		**55,543**	(54,652)
Profit/(loss) for the year attributable to:			
Owners of the Company		**66,323**	(27,843)
Non-controlling interests		**4,966**	(2,485)
		71,289	(30,328)
Total comprehensive income/(expense) for the year attributable to:			
Owners of the Company		**54,125**	(41,756)
Non-controlling interests		**1,418**	(12,896)
		55,543	(54,652)
		HK Cents	HK Cents (Restated)
Earnings/(loss) per share attributable to owners of the Company			
— Basic and diluted earnings/(loss) per share	11	**1.57**	(0.66)

Details of dividends are disclosed in Note 13 to the consolidated financial statements.

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	**823,590**	82,455
Right-of-use assets	15	**1,683**	3,125
Investment properties	16	**222,310**	229,390
Intangible assets	17	**2,989**	3,069
Deposit paid for acquisition of property, plant and equipment	23	**330,996**	–
Deposit and prepayment for life insurance policy	18	**3,374**	3,293
Deferred tax assets	30	**32**	–
		1,384,974	321,332
Current assets			
Financial asset at fair value through profit or loss	19	**8**	796
Properties available for sale	20	**36,200**	72,547
Contract assets	22	**92,705**	104,887
Trade and other receivables	23	**1,229,460**	340,336
Inventories	24	**209,772**	36,583
Tax recoverable		**634**	561
Pledged bank deposits	25	**405,159**	–
Cash and bank balances	25	**137,372**	613,996
		2,111,310	1,169,706
Total assets		**3,496,284**	1,491,038
EQUITY			
Capital and reserves			
Share capital	26	**2,640**	2,640
Reserves		**847,890**	185,652
Equity attributable to owners of the Company		**850,530**	188,292
Non-controlling interests		**460,705**	(119)
Total equity		**1,311,235**	188,173

Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
LIABILITIES			
Non-current liabilities			
Lease liabilities	28	**275**	1,876
Liabilities for long service payments	29	**1,104**	681
Amounts due to related companies	32	**–**	397,072
Borrowings	33	**288,156**	–
Deferred tax liabilities	30	**7,185**	7,705
		296,720	407,334
Current liabilities			
Contract liabilities	22	**65,269**	65,736
Trade and other payables	31	**967,744**	318,189
Lease liabilities	28	**1,601**	1,380
Borrowings	33	**833,149**	499,728
Tax payables		**20,566**	10,498
		1,888,329	895,531
Total liabilities		**2,185,049**	1,302,865
Total equity and liabilities		**3,496,284**	1,491,038
Net current assets		**222,981**	274,175
Total assets less current liabilities		**1,607,955**	595,507

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 16 March 2024:

Mr. Yu Zhuyun
Director

Mr. Li Menglin
Director

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Attributable to owners of the Company									
	Share capital HK$'000 (Note 26)	Share premium HK$'000	Merger reserve HK$'000	Contributed surplus HK$'000	Other reserve HK$'000	Translation reserve HK$'000	Retained earnings HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
Balance at 1 January 2022	2,640	88,276	11,010	–	–	8,194	119,928	230,048	1,166	231,214
Loss for the year	–	–	–	–	–	–	(27,843)	(27,843)	(2,485)	(30,328)
Other comprehensive expense										
Exchange differences arising on translation of foreign operations	–	–	–	–	–	(13,081)	–	(13,081)	(10,411)	(23,492)
Reclassification of cumulative translation reserve upon disposal of foreign operations	–	–	–	–	–	(832)	–	(832)	–	(832)
Total comprehensive expense for the year	–	–	–	–	–	(13,913)	(27,843)	(41,756)	(12,896)	(54,652)
Disposal of subsidiaries	–	–	–	–	–	–	–	–	11,611	11,611
Balance at 31 December 2022 and 1 January 2023	2,640	88,276	11,010	–	–	(5,719)	92,085	188,292	(119)	188,173
Profit for the year	–	–	–	–	–	–	66,323	66,323	4,966	71,289
Other comprehensive expense										
Exchange differences arising on translation of foreign operations	–	–	–	–	–	(12,120)	–	(12,120)	(3,548)	(15,668)
Reclassification of cumulative translation reserve upon disposal and deregistration of foreign operations	–	–	–	–	–	(78)	–	(78)	–	(78)
Total comprehensive (expense)/income for the year	–	–	–	–	–	(12,198)	66,323	54,125	1,418	55,543
Disposal of subsidiaries (Note 37)	–	–	–	–	–	–	–	–	(489)	(489)
Deregistration of subsidiaries	–	–	–	–	–	–	–	–	(135)	(135)
Deemed disposal of partial interest in a subsidiary without losing control (Note 12)	–	–	–	–	309,970	–	–	309,970	460,030	770,000
Deemed contribution from a shareholder from extinguished loans	–	–	–	298,143	–	–	–	298,143	–	298,143
Balance at 31 December 2023	2,640	88,276	11,010	298,143	309,970	(17,917)	158,408	850,530	460,705	1,311,235

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
Cash flows from operating activities			
Net cash used in operations	34a	**(1,000,285)**	(62,706)
Income tax paid		**(1,662)**	(5,040)
Income tax refunded		**209**	–
Net cash used in operating activities		**(1,001,738)**	(67,746)
Cash flows from investing activities			
Interest received		**1,381**	158
Proceeds on disposal of financial assets at fair value through profit or loss		**877**	–
Proceeds on disposal of investment properties		**7,821**	–
Net cash inflow from disposal of subsidiaries, net of cash disposed		**8,847**	32,755
Purchase of financial assets at FVTPL		**(7)**	–
Purchases of property, plant and equipment		**(766,928)**	(78,445)
Net cash used in investing activities		**(748,009)**	(45,532)
Cash flows from financing activities			
Interest paid		**(25,190)**	(5,515)
Proceeds on disposal of partial interest in a subsidiary without losing control		**385,000**	–
Advanced from related companies		**–**	385,052
Repayments to related companies		**(91,901)**	(74,761)
Repayments of borrowings		**(105,614)**	(137,843)
New loans raised		**1,146,810**	536,960
Principal elements of lease payments		**(1,380)**	(1,947)
Net cash generated from financing activities		**1,307,725**	701,946
Net (decrease)/increase in cash and cash equivalents		**(442,022)**	588,668
Cash and cash equivalents at beginning of the year		**613,996**	50,373
Effects of foreign exchange rate changes		**(34,602)**	(25,045)
Cash and cash equivalents at end of the year		**137,372**	613,996
Analysis of balances of cash and cash equivalents			
Cash and bank balances	25	**137,372**	613,996

The accompanying notes form an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 29 March 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares (the "**Shares**") have been listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with effect from 29 March 2018. As at 31 December 2023, its parent and ultimate holding company is Central Culture Resource Group Limited, a company incorporated in the British Virgin Islands ("**BVI**") with limited liability and wholly-owned by Mr. Yu Zhuyun ("**Mr. Yu**"), the controlling shareholder of the Company.

The Company's registered office address is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands, and the Company's principal place of business in Hong Kong is Unit 2102–03 & 10–12, 21/F, K. Wah Centre, 191 Java Road, North Point, Hong Kong. The Company is an investment holding company. The Group is principally engaged in the business of (i) green building and construction related business in Hong Kong and the People's Republic of China (the "**PRC**"); (ii) new energy and engineering, procurement, and construction ("**EPC**"); (iii) smart energy management services; (iv) health and wellness; and (v) food and beverage ("**F&B**") supply chain.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), unless otherwise stated.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the current year and prior year presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except as otherwise stated in the accounting policies below.

The preparation of the consolidated financial statements in accordance with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.2 Changes in accounting policies and disclosures

(i) New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current year and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

In accordance with the transition provision:

(i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 January 2022;

(ii) the Group also, as at 1 January 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

The application of the amendments has had no material impact on the Group's financial position and performance, except that the Group discloses the related deferred tax assets of approximately HK$1,573,000 and deferred tax liabilities of approximately HK$1,573,000 on a gross basis but it has no impact on the retained earnings at the earliest period presented.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.2 Changes in accounting policies and disclosures *(Continued)*

(ii) 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:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[2]
Amendments to HKAS 21	Lack of Exchangeability[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2024.
3 Effective for annual periods beginning on or after 1 January 2025.

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.3 Principles of consolidation

2.3.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, the statement of changes in equity and the consolidated statement of financial position, respectively.

2.3.2 Changes in ownership interest in subsidiaries

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate for an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.3 Principles of consolidation *(Continued)*

2.3.3 Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisitions failed to meet the definition of business combination are treated as acquisitions of assets and liabilities instead of business combination.

Acquisition-related costs are expenses as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

2.3.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.5 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in HK$, which is the Company's functional and the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss and other comprehensive income.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss and other comprehensive income, within "finance cost". All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income within 'other income and net gains/(loss)'.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency transaction differences arising are recognised in other comprehensive income.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.6 Property, plant and equipment

The property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated using the straight-line method to allocate their cost over their estimated useful lives or lease term, where applicable, as follows:

Machinery and equipment	10%–20%
Leasehold improvements	20%
Furniture, fixtures and office equipment	20%
Motor vehicles	20%

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statements of profit or loss and other comprehensive income.

2.7 Investment properties

Investment property, principally comprising leasehold land, is held for long-term rental yields or for capital appreciation or both, and are not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties.

Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Changes in fair values are recognised in the consolidated statement of profit or loss and other comprehensive income within "Gain/(loss) on fair value changes of investment properties".

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(Continued)

2.8 Intangible assets

2.8.1 Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquirees and the acquisition date fair value of any previous equity interest in the acquirees over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("**CGUs**"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. The Group's goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.8.2 Intangible assets acquired separately

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

2.9 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Properties available for sale

Properties available for sale are stated at the lower of cost and net realisable value. The cost of properties available for sale comprises the acquisition cost of land, aggregate cost of development and other direct expenses capitalised. Net realisable value represents the estimated selling price in the ordinary course of business less estimated costs to be incurred in selling the properties.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.10 Properties available for sale *(Continued)*

The amount of any write down of properties available for sale is recognised as an expense in the year write down or loss occurs. The amount of any reversal of any write down arising from an increase in net realisable value is recognised in the consolidated statement of profit or loss and other comprehensive income in the year in which the reversal occurs.

2.11 Financial assets

2.11.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("**OCI**") or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("**FVOCI**").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.11.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.11.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit of loss ("**FVPL**"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.11 Financial assets *(Continued)*

2.11.3 Measurement *(Continued)*

Debt instruments

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

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the year in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.11 Financial assets *(Continued)*

2.11.4 Impairment

The Group assesses on a forward-looking basis the expected credit losses ("**ECL**") associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables and contract assets.

Impairment on other receivables is measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL.

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supporting forwarding-looking information.

Especially the following indicators are incorporated:

— internal credit rating

— external credit rating

— actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations

— actual or expected significant changes in the operating results of the borrower

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a loan or receivable for write off when a debtor fails to make contractual payments more than 365 days past due. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.13 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under HKFRS 9 *Financial Instruments*; and

- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 *Revenue from Contracts with Customers*

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

2.14 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment.

2.15 Cash and cash equivalents

In the consolidated statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (if any).

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.16 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if the payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Borrowings

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.19 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

2.20 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of each reporting period in the countries where the Group operates and generates taxable income. Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.20 Current and deferred income tax *(Continued)*

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences, arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred tax liabilities are not recognised if it arises from initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of each reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred taxation liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.21 Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of each reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Retirement benefits

The Group operates defined contribution plans and pays contributions to privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. There were no forfeited contributions available to offset future employer's contributions to the schemes.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of each reporting period are discounted to present value.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.21 Employee benefits *(Continued)*

(iv) Bonus plans

The Group recognises a liability and an expense for bonuses when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of such obligation can be made.

(v) Long service payments

Under the Hong Kong Employment Ordinance, the Group is required to make long service payments to its employees upon the termination of their employment or retirement on ground of old age when the employee fulfils certain conditions and the termination meets the required circumstances. Further, where accrued benefits (excluding any part attributable to the employee's contributions) have been paid to the employee, or is being held in a mandatory provident fund scheme by the employee, which is the case for most of the eligible employees of the Group, the long service payment is offset against the aforementioned amount of benefits to the extent that they relate to the employee's years of service for which the long service payment is payable.

Based on the Group's past experience and the directors' knowledge of the business and work force, the Group makes its estimates of its obligations to make long service payments to its employees in the event of termination of their employment or retirement. The Group's obligations to make such long service payments are recognised in the financial statements as long service payment liabilities at the present value (where the effect of discounting is material) of the long service payment obligations, which are estimated after deducting the entitlements accrued under the Group's defined contribution retirement scheme that are attributable to contributions made by the Group. Service cost, net interest on the long service payment liabilities (where discounting to present value is adopted because the effect of discounting is material) and premeasurements of the long service payment liabilities are recognised in profit or loss.

2.22 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amounts have been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligations. The increase in the provision due to passage of time is recognised as interest expense.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.23 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basis earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.24 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resource will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.25 Revenue from contracts with customers

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

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

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

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

- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.25 Revenue from contracts with customers *(Continued)*

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

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

(i) Foundation works and superstructure building works

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

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Variable consideration

For contracts that contain variable consideration (variation order of construction work), the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Costs to fulfil a contract

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

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

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

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.25 Revenue from contracts with customers *(Continued)*

(ii) Sale of properties

Revenue arising from the sale of properties developed for sales in the ordinary course of business is recognised when legal assignment is completed, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property. Deposits and instalments received on properties pre- sold prior to the date of revenue recognition were included in the consolidated statement of financial position under "contract liabilities".

(iii) Property management services

Revenue arising from property management services is recognised over time in the accounting period in which the services are rendered. The Group bills a fixed amount for services provided to the customers and recognises as revenue in the amount to which the Group satisfies performance obligations by transferring the services to its customers.

(iv) Trading of construction materials/Sales of healthcare products and healthy food/Sales of agricultures products, food and beverage materials/Sales of smart energy equipments

Revenue from sales of goods is recognised when control of the products has transferred, being when the products are delivered to the customers, and there is no unfulfilled obligations that could affect the customers' acceptance of the products. A delivery occurs when the products have been delivered to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that consideration is unconditional because only the passage of time is required before the payment is due.

(v) Manufacturing and sales of photovoltaic products and EPC

Revenue from the manufacturing and sales of photovoltaic products and EPC directly to the customers is recognised at the point that the control of the finished products has passed to the customers, which is primarily upon the delivery of the products to the customers.

(vi) Installation of smart energy equipments services

The performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue for these services is therefore recognized over-time using output method, i.e. by reference to the progress towards complete satisfaction of a performance obligation of the end of the reporting period, measured based on the completion report signed by the customers.

2.26 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to consolidated statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

2.26 Leases *(Continued)*

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interest in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and

- makes adjustments specific to the lease, e.g. term, country, currency and security.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and any lease payments made at or before the commencement date. Depreciation on right-of-use assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated lease period.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Lease income from operating leases where the Group is a lessor is recognised in income on a straight- line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

2.27 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the year in which the dividends are approved by the Group's shareholders or directors, where appropriate.

2.28 Deposit and prepayment for life insurance policy

Life insurance policy that can be terminated at any time is determined by the upfront payments plus accumulated interest earned and minus the accumulated insurance charge and policy expense charge. If withdrawal is made, a pre-determined specified amount of surrender charge would be imposed.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION
(Continued)

2.29 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

2.30 Interest income

Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in profit or loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.31 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories include construction materials, agriculture products, food and beverage materials, healthcare products and healthy food and smart energy equipments which are determined on a first-in, first-out method and costs of inventories include photovoltaic products and EPC which are determined by weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

2.32 Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

- (i) has control or joint control of the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group.

or

(b) the party is an entity where any of the following conditions applies:

- (i) has control or joint control of the Group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities exposed it to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk and liquidity risk.

The Group's overall risk management programmed focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk primarily arising from monetary assets and liabilities of certain subsidiaries denominated in foreign currencies other than their functional currencies. The currencies giving rise to this risk are primarily HK$, Renminbi and the United States Dollar.

The following table details the Group's exposure at the end of the reporting period to currency risk arising from forecast transactions or recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

	Assets		Liabilities	
	2023 HK$'000	2022 HK$'000	**2023 HK$'000**	2022 HK$'000
HK$	**–**	–	**153,037**	–
Renminbi ("**RMB**")	**2,064**	34,302	**–**	–
United States Dollar ("**US$**")	**3,405**	3,292	**–**	–

Sensitivity analysis

If RMB has been appreciated/depreciated 5% against the foreign currency and all other variable were held constant, the Group's post-tax loss for the year would decrease/increase by approximately HK$103,000 (2022: decrease/increase by approximately HK$1,906,000). No sensitivity analysis is presented for foreign currency fluctuation between US$ against HK$ because HK$ is pegged to US$ and assumed that the rate would not be materially affected by any changes in movement in value of the HK$ against other currencies.

(ii) Interest rate risk

Other than bank balances with variable interest rate, the Group has no other significant interest-bearing assets. Management does not anticipate significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of bank balances are not expected to change significantly.

The Group is exposed to cash flow interest rate risk in relation to variable-rates bank borrowings and fair value interest rate risk in relation to fixed-rate other borrowings and lease liabilities. The Group is not exposed to significant cash flow interest rate risk. The Group currently does not have interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank borrowing. It is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, the Group's profit for the year would decrease/increase by approximately HK$1,778,000 (2022: nil).

The Group's exposure to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(iii) Credit risk

Credit risk arises mainly from trade receivables, contract assets, bills receivables, other receivables and deposits, pledged bank deposits and bank balances. The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at the reporting dates in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statements of financial position.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The credit quality of the debtors is assessed based on their financial position, past experience and other factors. The Group has policies in place to ensure credit terms are granted to reliable debtors. In addition, the Group reviews the recoverable amount of each individual debt at the end of each of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Group considers that the credit risk is significantly reduced.

As at 31 December 2023, there were five (2022: two) customers which individually contributed over 10% of the Group's trade receivables. The aggregate amounts of trade receivables from these customers amounted to 77% respectively (2022: 65%) of the Group's total trade receivables as at 31 December 2023.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

Trade receivables and contract assets

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. To measure the ECL, trade receivables and contract assets have been assessed collectively using a provision matrix with appropriate groupings based on same risk characteristics and the days past due. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit loss. The ECL also incorporate forward-looking information such as actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(iii) Credit risk *(Continued)*

Trade receivables and contract assets (Continued)

As at 31 December 2023 and 2022, the loss allowance for trade receivables and contract assets were determined as follows:

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	Over 90 days past due	Total
31 December 2023						
Expected loss rate	**0.36%**	**0.10%**	**0.95%**	**8.59%**	**100%**	
Gross carrying amount — trade receivables (HK$'000)	**723,225**	**1,022**	**115,203**	**19,428**	**6,881**	**865,759**
Gross carrying amount — contract assets (HK$'000)	**93,895**	**–**	**–**	**–**	**–**	**93,895**
Loss allowance (HK$'000)	**2,938**	**1**	**1,094**	**1,668**	**6,881**	**12,582**
31 December 2022						
Expected loss rate	0.29%	0.25%	6.72%	8.79%	65.75%	
Gross carrying amount — trade receivables (HK$'000)	123,288	42,924	5,266	6,097	52,920	230,495
Gross carrying amount — contract assets (HK$'000)	105,350	–	–	–	–	105,350
Loss allowance (HK$'000)	671	107	354	536	34,796	36,464

The estimated loss rate are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effect.

The Group uses four categories for bills receivables, other receivables and deposits, pledged bank deposits and bank balances which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings.

The Group's internal credit risk grading comprises the following categories:

Category	Group definition of category	Basis for recognition of ECL
Performing	There have low risk of default and has not been any significant increase in credit risk since initial recognition	12-month ECL
Doubtful	There have been significant increase in credit risk since initial recognition	Lifetime ECL — not credit impaired
Default	There is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows	Lifetime ECL — credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

Bills receivables

The internal credit rating of bills receivables were performing. Management has measured the loss allowances of these financial assets at 12m ECL. The Group uses past due information and forward-looking information to assess whether credit risk has increased significantly since initial recognition.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(iii) Credit risk *(Continued)*

Other receivables and deposits

For other receivables and deposits, the management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information.

Pledged bank deposits and bank balances

The credit risk of pledged bank deposits and bank balances is considered not material as such amounts are placed in reputable banks with high credit rating assigned by international credit-rating agencies. There has been no recent history of default in relation to these banks and thus the risk of default is regarded as low.

The movement in the loss allowances for trade receivables, contract assets, bills receivables and other receivables and deposits during the years ended 31 December 2023 and 2022 are as follows:

	Trade receivables Life-time ECL (not credit impaired) HK$'000	Trade receivables Life-time ECL (credit impaired) HK$'000	Contract assets Life-time ECL (not credit impaired) HK$'000	Bills receivables (12-month ECL) HK$'000	Other receivables and deposits (12-month ECL) HK$'000
As at 1 January 2022	2,919	–	576	–	473
Transfer to credit-impaired	(964)	964	–	–	–
Provision for/(reversal of) loss allowance recognised in profit or loss during the year	71	34,811	(68)	–	1,476
Disposal of subsidiaries	(722)	–	–	–	(10)
Exchange realignment	(99)	(979)	(45)	–	(118)
As at 31 December 2022 and 1 January 2023	1,205	34,796	463	–	1,821
Transfer to credit-impaired	**(6)**	**6**	**–**	**–**	**–**
Provision for/(reversal of) loss allowance recognised in profit or loss during the year	**3,347**	**(27,260)**	**744**	**832**	**(1,488)**
Disposal of subsidiaries	**–***	**–***	**–***	**–**	**–***
Exchange realignment	**(35)**	**(661)**	**(17)**	**(8)**	**(64)**
As at 31 December 2023	**4,511**	**6,881**	**1,190**	**824**	**269**

* Less than HK$1,000

The creation and release of provision for impaired trade receivables, contract assets and bills and other receivables and deposits have been included in administrative and other operating expenses in the consolidated statement of profit or loss and other comprehensive income. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(iv) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet their liquidity requirements in the short and long term. Management believes there is no significant liquidity risk as the Group has sufficient financial resources to fund their operations.

The following table details the remaining contractual maturities at the end of each reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating based on current rates at the end of each reporting period) and the earliest date the Group may be required to pay:

	On demand or within one year HK$'000	Between one and two years HK$'000	Between two and five years HK$'000	More than five years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amounts HK$'000
At 31 December 2023						
Trade and other payables	**967,744**	**–**	**–**	**–**	**967,744**	**967,744**
Borrowings	**862,919**	**53,208**	**162,855**	**130,255**	**1,209,237**	**1,121,305**
Lease liabilities	**1,656**	**276**	**–**	**–**	**1,932**	**1,876**
	1,832,319	**53,484**	**162,855**	**130,255**	**2,178,913**	**2,090,925**
At 31 December 2022						
Trade and other payables	318,189	–	–	–	318,189	318,189
Amounts due to related companies	–	–	397,072	–	397,072	397,072
Borrowings	500,142	–	–	–	500,142	499,728
Lease liabilities	1,518	1,932	–	–	3,450	3,256
	819,849	1,932	397,072	–	1,218,853	1,218,245

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders, to support the Group's stability and growth; to earn a margin commensurate with the level of business and market risks in the Group's operations and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as the debts as at each year end divided by the total equity as at each year end.

The gearing ratios of the Group are as follows:

	2023 **HK$'000**	2022 HK$'000
Debts (Note)	**1,123,181**	502,984
Total equity	**1,311,235**	188,173
Gearing ratio	**85.66%**	267.3%

Note: Debt comprises borrowings and lease liabilities as detailed in Notes 28 and 33.

3.3 Fair value estimation

The Group's financial instruments carried at fair value as at 31 December 2023 and 2022 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

	Fair value as at				
Financial assets	**2023 HK$'000**	2022 HK$'000	**Fair value hierarchy**	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**
Listed equity securities classified as financial assets at fair value through profit or loss	**8**	796	Level 1	Quoted bid prices in an active market	N/A

There were no transfers between Level 1, 2 and 3 in current and prior years.

(ii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on recurring basis

The directors of the Company consider that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company have to determine the appropriate valuation techniques and inputs for fair value measurement.

In estimating the fair value of investment properties, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent qualified valuer to perform the valuation. At the end of each reporting period, the management of the Group works closely with the independent qualified valuer to establish the appropriate valuation techniques and inputs for Level 2 and Level 3 fair value measurement. The Group will first consider and adopt Level 2 inputs where inputs can be derived from observable quoted prices in the active market. When Level 2 inputs are not available, the Group will adopt valuation techniques that include Level 3 inputs. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the board of directors of the Company. Information about the valuation techniques and inputs used in determining the fair value of the Group's investment properties are disclosed in Note 16.

Properties available for sale

An assessment of the net realisable value is made in each reporting period. The Group takes into consideration the current market environment and the estimated market value of properties. Such assessment was made based on certain assumptions, which are subject to uncertainty and might materially differ from actual results. Net realisable value of properties for sale is determined based on the Group's assessment of the price ultimately expected to be realised in the ordinary course of business by reference to prevailing market conditions less all estimated selling expenses. Impairment is made if the estimated net realisable value is less than the carrying amount. If the actual net realisable value on properties available for sale is less than expected as a result of change in market condition, a material provision for impairment loss may result. The carrying amount of the properties available for sale is approximately HK$36,200,000 (2022: HK$72,547,000).

Estimation of recoverability of trade receivables

The directors of the Company estimate the amount of loss allowance for trade receivable based on the credit risk of trade receivables. The loss allowance amount is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses. The assessment of the credit risk of trade receivables involves high degree of estimation and uncertainty as the directors of the Company estimates the loss rates for debtors by using past history, existing market conditions as well as forward-looking information. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise accordingly. For details of impairment assessment are set out in Note 3.1.

5. REVENUE, OTHER INCOME AND NET GAINS AND SEGMENT INFORMATION

Revenue, other income and net gains recognised during the current year and prior year are as follows:

	2023 HK$'000	2022 HK$'000
Revenue		
Green building and construction related business	1,340,380	842,215
New energy and EPC	2,119,585	58,594
Smart energy management services	16,055	19,718
Health and wellness	409,875	483,997
F&B supply chain	133,397	198,669
Revenue from contracts with customers	4,019,292	1,603,193
Rental income	9,007	10,448
	4,028,299	1,613,641
Other income and net gains/(loss)		
Interest income	1,381	158
Business consulting fee	–	9,173
Gain/(loss) on fair value change of financial assets at fair value through profit or loss	1	(9,097)
Gain on disposal of financial assets at fair value through profit or loss	81	–
Net gain on disposal of subsidiaries	11,745	34,959
Government grants	1,998	1,207
Operating lease income	1,814	845
Sundry income	1,791	621
	18,811	37,866

During the year ended 31 December 2022, the Group recognised government grants of approximately HK$1,207,000 of which approximately HK$760,000 in respect of Covid-19-related subsidies, related to Employment Support Scheme provided by the Hong Kong government, the grants were recognised when the required employment conditions were fulfilled.

Government grants of approximately HK$1,998,000 (2022: approximately HK$447,000) in respect of foreign enterprises and other business incentives from various government authorities in the PRC, which were recognised during the year as there were no unfulfilled conditions.

5. REVENUE, OTHER INCOME AND NET GAINS AND SEGMENT INFORMATION

(Continued)

Disaggregation of revenue from contracts with customers

	2023 HK$'000	2022 HK$'000
Timing of revenue recognition		
Over time	**271,590**	204,369
A point in time	**3,747,702**	1,398,824
	4,019,292	1,603,193
Types of services or goods		
Foundation works and superstructure building works	**210,926**	158,614
Sale of properties	**2,271**	16,708
Property management services	**44,847**	45,755
Trading of construction materials	**1,082,336**	737,824
Sales of agriculture products, food and beverage materials	**133,397**	32,040
Sales of healthcare products and healthy food	**409,875**	533,939
Manufacturing and sales of photovoltaic products and EPC	**2,119,585**	58,595
Sales of smart energy equipments	**238**	19,718
Installation of smart energy equipments services	**15,817**	–
	4,019,292	1,603,193

Performance obligations for contracts with customers

Foundation works and superstructure building works

The performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue for these works is therefore recognised over time using output method, i.e. based on surveys of the relevant services completed by the Group to date with reference to certificates issued by customers or payment applications confirmed by internal surveyor. The directors of the Company consider that output method would faithfully depict the Group's performance towards complete satisfaction of these performance obligations in these contracts under HKFRS 15.

Sale of properties

Revenue arising from the sale of properties developed for sale in the ordinary course of business is recognised when legal assignment is completed, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property. Deposits and instalments received on properties pre-sold prior to the date of revenue recognition were included in the consolidated statement of financial position under "contract liabilities".

5. REVENUE, OTHER INCOME AND NET GAINS AND SEGMENT INFORMATION *(Continued)*

Performance obligations for contracts with customers *(Continued)*

Property management services

Revenue arising from property management services is recognised over time in the accounting period in which the services are rendered. The Group bills the amount for services provided to the customers and recognises as revenue in the amount to which the Group satisfies performance obligations by transferring the services to its customers. The Group has elected the practical expedient for not disclosing the remaining performance obligations for these types of contracts.

Trading of construction materials/Sales of healthcare products and healthy food/Sales of agricultures products, food and beverage materials/Sales of smart energy equipments

Revenue from sales of goods is recognised when control of the products has transferred, being when the products are delivered to the customers, and there is no unfulfilled obligations that could affect the customers' acceptance of the products. A delivery occurs when the products have been delivered to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that consideration is unconditional because only the passage of time is required before the payment is due.

Manufacturing and sales of photovoltaic products and EPC

Revenue from the manufacturing and sales of photovoltaic products and EPC directly to the customers is recognised at the point in time that the control of the finished products has passed to the customers, which is primarily upon the delivery of the products to the customers.

Installation of smart energy equipments services

The performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue for these services is therefore recognized over-time using output method, i.e. by reference to the progress towards complete satisfaction of a performance obligation of the end of the reporting period, measured based on the completion report signed by the customers.

5. REVENUE, OTHER INCOME AND NET GAINS AND SEGMENT INFORMATION

(Continued)

Transaction price allocated to the remaining performance obligations from contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2023 and 2022 and the expected timing of recognising revenue are as follows:

	2023 HK$'000	2022 HK$'000
Provision of foundation works and superstructure building works		
Within one year	**183,380**	293,256
Over one year	**58,416**	55,721
	241,796	348,977

All property management services and installation of smart energy equipments services are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Segment information

The Group's operating segments are determined based on information reported to the board of directors of the Company, being the chief operating decision-maker (the "**CODM**"), for the purposes of resource allocation and assessment of segment performance.

Specifically, the Group's reportable and operating segments under HKFRS 8 *Operating Segments* are as follows:

(i) Green building and construction related business — provision of piling works, excavation and lateral support works, and pile cap construction and building works; development and sale of properties and holding of properties for investment and leasing purposes; provision of property management services, which include security, cleaning, greening, gardening, repair and maintenance; and supplying of construction materials;

(ii) New energy and EPC — manufacturing and sales of photovoltaic products and EPC;

(iii) Smart energy management services — provision of smart energy management system, which include sales and installation of energy-saving lighting, energy-saving equipment and information technology development services;

(iv) Health and wellness — provision of health and wellness services, which include the healthcare consulting and sales of healthcare products and healthy food; and

(v) F&B supply chain — provision of agriculture products, food and beverage materials supply chain business.

The Group has introduced an additional segment of new energy and EPC during the year ended 31 December 2022.

5. REVENUE, OTHER INCOME AND NET GAINS AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Segment revenue and results

The following is an analysis of the Group's revenue and result by operating segments:

For the year ended 31 December 2023

	Green building and construction related business HK$'000	New energy and EPC HK$'000	Smart energy management services HK$'000	Health and wellness HK$'000	F&B supply chain HK$'000	Total HK$'000
REVENUE						
Revenue from external customers	1,349,387	2,119,585	16,055	409,875	133,397	4,028,299
RESULT						
Segment profit	41,308	53,366	95	6	9,777	104,552
Other income and net gains						18,811
Unallocated corporate expenses						(15,320)
Finance costs						(25,190)
Profit before income tax						82,853

5. REVENUE, OTHER INCOME AND NET GAINS AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Segment revenue and results *(Continued)*

For the year ended 31 December 2022

	Green building and construction related business HK$'000	New energy and EPC HK$'000	Smart energy management services HK$'000	Health and wellness HK$'000	F&B supply chain HK$'000	Elimination HK$'000	Total HK$'000
REVENUE							
Revenue from external customers	852,663	58,594	19,718	483,997	198,669	–	1,613,641
Inter-segment sales	112,542	–	–	2,238	–	(114,780)	–
	965,205	58,594	19,718	486,235	198,669	(114,780)	1,613,641
RESULT							
Segment (loss)/profit	(43,754)	(3,091)	1,063	(2,697)	(783)	–	(49,262)
Other income and net gains							37,866
Unallocated corporate expenses							(14,094)
Finance costs							(5,520)
Loss before income tax							(31,010)

Segment revenue reported above represents revenue generated from external customers. Inter-segment revenue is charged at prevailing market rates.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit/(loss) from each segment without allocation of other income and net gains/(loss), unallocated corporate expenses and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

5. REVENUE, OTHER INCOME AND NET GAINS AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Segment assets and liabilities

	2023 HK$'000	2022 HK$'000
Segment assets		
Green building and construction related business	**557,371**	709,377
New energy and EPC	**2,303,966**	564,888
Smart energy management services	**24,404**	18,888
Health and wellness	**94**	40,017
F&B supply chain	**33,220**	885
Total segment assets	**2,919,055**	1,334,055
Unallocated corporate assets	**577,229**	156,983
Consolidated total assets	**3,496,284**	1,491,038
Segment liabilities		
Green building and construction related business	**264,391**	439,765
New energy and EPC	**1,772,653**	454,771
Smart energy management services	**18,225**	11,489
Health and wellness	**1,236**	39,340
F&B supply chain	**18,811**	1,095
Total segment liabilities	**2,075,316**	946,460
Unallocated corporate liabilities	**109,733**	356,405
Consolidated total liabilities	**2,185,049**	1,302,865

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

- all assets are allocated to operating segments other than deposit and prepayment for life insurance policy, deferred tax assets, tax recoverable, pledged bank deposits, cash and bank balance and other unallocated corporate assets; and

- all liabilities are allocated to operating segments other than tax payables, deferred tax liabilities, liabilities for long service payments and other unallocated corporate liabilities.

5. REVENUE, OTHER INCOME AND NET GAINS AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Other segment information
For the year ended 31 December 2023

	Green building and construction related business HK$'000	New energy and EPC HK$'000	Smart energy management services HK$'000	Health and wellness HK$'000	F&B supply chain HK$'000	Unallocated HK$'000	Total HK$'000
Addition to non-current assets	8	766,915	5	–	–	–	766,928
Depreciation of property, plant and equipment	6,802	10,444	1	–	–	7	17,254
Depreciation of right-of-use assets	–	–	–	–	–	1,442	1,442
Gain on fair value changes of investment properties	5,185	–	–	–	–	–	5,185

For the year ended 31 December 2022

	Green building and construction related business HK$'000	New energy and EPC HK$'000	Smart energy management services HK$'000	Health and wellness HK$'000	F&B supply chain HK$'000	Unallocated HK$'000	Total HK$'000
Addition to non-current assets	403	66,101	–	4,330	–	37,762	108,596
Depreciation of property, plant and equipment	6,928	24	–	357	–	1	7,310
Depreciation of right-of-use assets	–	–	–	1,998	–	–	1,998
Loss on fair value changes of investment properties	(7,308)	–	–	–	–	–	(7,308)

5. REVENUE, OTHER INCOME AND NET GAINS AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Geographical information

The Group's operations are located in both Hong Kong and the PRC.

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from external customers		Non-current assets	
	2023 HK$'000	2022 HK$'000	**2023 HK$'000**	2022 HK$'000
Hong Kong	**187,379**	101,544	**11,110**	20,934
The PRC	**3,840,920**	1,512,097	**1,370,458**	297,105
	4,028,299	1,613,641	**1,381,568**	318,039

Note: Non-current assets excluded deposit and prepayment for life insurance policy and deferred tax assets.

Information about major customers

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

	2023 HK$'000	2022 HK$'000
Customer I[1]	**483,458**	N/A[4]
Customer II[2]	**N/A[4]**	166,005
Customer III[3]	**N/A[4]**	165,662

1 Revenue from manufacturing and sales of photovoltaic products and EPC.

2 Revenue from trading of health and wellness.

3 Revenue from green building and construction related business.

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

6. FINANCE COST

	2023 HK$'000	2022 HK$'000
Interest on bank borrowings and other borrowings	**25,052**	5,201
Interest on lease liabilities	**138**	319
	25,190	5,520

7. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before taxation has been arrived at after charging/(crediting):

	2023 HK$'000	2022 HK$'000
Auditors' remuneration	**1,580**	1,580
Depreciation of property, plant and equipment	**17,254**	7,310
Depreciation of right-of-use assets	**1,442**	1,998
(Reversal of)/provision for impairment losses on trade receivables	**(23,913)**	34,160
Provision for impairment losses on bills receivables	**832**	–
Provision for/(reversal of) impairment losses on contract assets	**744**	(68)
(Reversal of)/provision for impairment losses on other receivables and deposits	**(1,488)**	1,466
Rental expense from short-term leases	**793**	1,149
Cost of properties and other inventories sold recognised as an expense	**3,616,051**	337,477
Staff costs (including directors' emoluments)	**52,385**	43,246

8. EMPLOYEE BENEFITS EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS

	2023 HK$'000	2022 HK$'000
Directors' emoluments	**2,118**	2,118
Other staff costs	**47,771**	40,009
Retirement scheme contributions		
— defined contribution plan, excluding directors	**2,496**	1,119
	52,385	43,246

The Group operates defined contribution schemes in Hong Kong which comply with the requirements under the Mandatory Provident Fund ("**MPF**") Schemes Ordinance. All assets under the scheme are held separately from the Group under independently administered funds. Contributions to the MPF scheme follow the MPF Schemes Ordinance.

The employees of the Group's subsidiaries established in the PRC are required to participate in a state-managed retirement benefit scheme operated by the PRC government. The Group is required to contribute a certain percentage of basic payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

As at 31 December 2023 and 2022, there were no forfeited contributions available to offset future employers' contributions to the schemes.

9. BENEFITS AND INTEREST OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of each director and the chief executive for the years ended 31 December 2023 and 2022 are set out below:

	Fee HK$'000	Salaries, allowances and other benefits in kind HK$'000	Discretionary bonuses HK$'000	Retirement scheme contributions HK$'000	Total HK$'000
Year ended 31 December 2023					
Executive directors					
— Mr. Yu Zhuyun ("**Mr. Yu**") (Note (i))	–	600	–	18	618
— Mr. Li Menglin	–	550	–	–	550
Non-executive directors					
— Mr. Qiao Xiaoge	–	100	–	–	100
— Ms. Zhu Yujuan	–	100	–	–	100
Independent non-executive directors					
— Dr. Li David Xianglin	250	–	–	–	250
— Mr. Wang Wenxing	250	–	–	–	250
— Dr. Zhou Chunsheng	250	–	–	–	250
	750	1,350	–	18	2,118

9. BENEFITS AND INTEREST OF DIRECTORS *(Continued)*

(a) Directors' and chief executive's emoluments *(Continued)*

	Fee HK$'000	Salaries, allowances and other benefits in kind HK$'000	Discretionary bonuses HK$'000	Retirement scheme contributions HK$'000	Total HK$'000
Year ended 31 December 2022					
Executive directors					
— Mr. Yu (Note (i))	–	600	–	18	618
— Mr. Li Menglin	–	550	–	–	550
Non-executive directors					
— Mr. Qiao Xiaoge	–	100	–	–	100
— Ms. Zhu Yujuan	–	100	–	–	100
Independent non-executive directors					
— Dr. Li David Xianglin	250	–	–	–	250
— Mr. Wang Wenxing	250	–	–	–	250
— Dr. Zhou Chunsheng	250	–	–	–	250
	750	1,350	–	18	2,118

During the year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2022: Nil). Neither the chief executive nor any of the directors has waived or agreed to waive any emoluments during the year (2022: Nil).

9. BENEFITS AND INTEREST OF DIRECTORS *(Continued)*

(a) Directors' and chief executive's emoluments *(Continued)*

Note:

(i) Mr. Yu is also the chief executive officer of the Company and his emoluments disclosed above including these for services rendered by him as the chief executive officer.

(b) Five highest paid individuals

Of the five individuals with the highest in the Group, none (2022: two) were directors, whose emoluments are disclosed above. The emoluments paid to the remaining five (2022: three) individuals were as follows:

	2023 HK$'000	2022 HK$'000
Salaries and allowances	**4,786**	2,445
Discretionary bonuses	**2,846**	116
Retirement scheme contributions	**97**	54
	7,729	2,615

The emoluments fell within the following bands:

	2023 Number of individuals	2022 Number of individuals
Emolument bands (in HK$)		
Nil–HK$1,000,000	**1**	2
HK$1,000,001–HK$1,500,000	**1**	1
HK$1,500,001–HK$2,000,000	**1**	–
HK$2,000,001–HK$2,500,000	**2**	–

During the year, no emoluments were paid by the Group to the above highest paid individuals as (i) an inducement to join or upon joining the Group or (ii) as compensation for loss of office as a director or management of any members of the Group (2022: nil).

10. INCOME TAX EXPENSE/(CREDIT)

	2023 HK$'000	2022 HK$'000
The PRC Enterprise Income Tax		
— Current tax	**11,953**	2,045
Deferred tax (Note 30)	**(389)**	(2,727)
Income tax expense/(credit)	**11,564**	(682)

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits for both years. No provision for Hong Kong Profits Tax has been made for the years ended 31 December 2023 and 2022 as the Group has available tax losses brought forward from prior periods.

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.

Pursuant to relevant PRC tax laws and regulations, the annual taxable income of a small low-profit enterprises (the "**Small Low-profit Enterprises**") that is not more than RMB1 million shall be taxed at a 20% corporate income tax rate on 12.5% (2022: 12.5%) of their taxable income amount for the proportion of taxable income not exceeding RMB1 million; and taxed at a 20% corporate income tax rate on 50% (2022: 50%) of their taxable income amount of more than RMB1 million but not exceeding RMB3 million for the year.

Taxation arising in other jurisdiction is calculated at the rates prevailing in the relevant jurisdiction.

10. INCOME TAX EXPENSE/(CREDIT) *(Continued)*

The tax charge/(credit) for the year can be reconciled to profit/(loss) before tax per consolidated statement of profit or loss and other comprehensive income as follows:

	2023 HK$'000	2022 HK$'000
Profit/(loss) before income tax	**82,853**	(31,010)
Calculated at the statutory tax rate of 16.5% (2022:16.5%)	**13,670**	(5,117)
Income not subject to tax	**(7,176)**	(4,255)
Expenses not deductible for tax purposes	**2,091**	9,128
Tax concession	**(258)**	(222)
Effect of PRC land appreciation tax	**856**	(1,827)
Tax losses for which no deferred income tax asset was recognised	**2,101**	7,892
Utilisation of tax losses previously not recognised	**(808)**	(138)
Effect of different taxation rates in other jurisdictions	**1,088**	(6,143)
Income tax expense/(credit)	**11,564**	(682)

11. EARNINGS/(LOSS) PER SHARE

	2023 HK$'000	2022 HK$'000
Profit/(loss) attributable to owners of the Company	**66,323**	(27,843)
	'000	'000 (Restated)
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	**4,224,000**	4,224,000
	HK cent	HK cent (Restated)
Basic earnings/(loss) per share	**1.57**	(0.66)

The weighted average number of ordinary shares for the purpose of basic earnings per share for the year ended 31 December 2023 has been adjusted for the share subdivision on 22 December 2023 as if they have taken place since the beginning of the period.

The comparative figures for the basic loss per share for the year ended 31 December 2022 are restated to take into account of the effect of the above share subdivision during the year retrospectively as if they have taken place since the beginning of the comparative year.

No diluted earnings/(loss) per share is presented for both years as there was no potential ordinary share outstanding.

12. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at the end of the reporting period are set out as follows:

Name	Place of incorporation/ operation and kind of legal entity	Principal activities	Issued and fully paid-up capital/ registered capital	Percentage of interest held	
				2023	2022
Wise Trend Engineering Limited ("**Wise Trend Engineering**")	Hong Kong, limited liability company	Business of foundation works and superstructure building works	Ordinary share HK$59,323,629	**100% (indirect)**	100% (indirect)
Wise Trend Construction & Engineering Limited ("**Wise Trend Construction & Engineering**")	Hong Kong, limited liability company	Handling human resources and related administrative matters of the Group	Ordinary share HK$10,000	**100% (indirect)**	100% (indirect)
Wise Trend Construction Limited ("**Wise Trend Construction**")	Hong Kong, limited liability company	Business of foundation works and superstructure building works	Ordinary share HK$1,000,000	**100% (indirect)**	100% (indirect)
浙江新田鋪農旅開發有限公司 Zhejiang Xintianpu Agricultural Travel Development Ltd*	PRC, limited liability company	Business of property development and investment	Registered capital RMB50,000,000	**100% (indirect)**	100% (indirect)
安徽中之環建築工程有限公司 Anhui Zhongzhihuan Construction Engineering Co., Ltd* ("**Anhui Zhongzhihuan Construction**")	PRC, limited liability company	Business of foundation works and superstructure building works	Registered capital RMB40,000,000	**100% (indirect)**	100% (indirect)
中環廣利恒(衢州)有色金屬貿易有限公司 Zhonghuan Guangliheng (Quzhou) Non-Ferrous Metal Trading Co., Ltd*	PRC, limited liability company	Trading of commodities	Registered capital RMB50,000,000	**100% (indirect)**	100% (indirect)
中環鑫信匯(衢州)貿易有限公司 Zhonghuan Xinxinhui (Quzhou) Trading Co., Ltd*	PRC, limited liability company	Trading of commodities, provision of health and wellness services and provision of agriculture products food and beverage materials supply chain business	Registered capital RMB50,000,000	**100% (indirect)**	100% (indirect)
安徽中港物業服務有限公司 Anhui Zhong Gang Property Service Co., Ltd*	PRC, limited liability company	Provision of property investment advisory services	Registered capital RMB8,000,000	**100% (indirect)**	100% (indirect)
中環數科(江蘇)智能科技有限公司 Central DigiTech (Jiang Su) Intelligent Technology Inc.*	PRC limited liability company	Provision of smart energy management services	Registered capital RMB20,000,000	**100% (indirect)**	100% (indirect)

12. PRINCIPAL SUBSIDIARIES *(Continued)*

Name	Place of incorporation/ operation and kind of legal entity	Principal activities	Issued and fully paid-up capital/ registered capital	Percentage of interest held 2023	Percentage of interest held 2022
中環低碳(安徽)新能源光伏科技有限公司(前稱:中環中清(安徽)新能源光伏科技有限公司) Zhonghuan Low Carbon (Anhui) New Energy Photovoltaic Technology Co. Ltd. (formerly known as Zhonghuan Zhongqing (Anhui) New Energy Photovoltaic Technology Co. Ltd.*) "Zhonghuan Low Carbon (Anhui) New Energy"	PRC, limited liability company	Provision of new energy and EPC	Registered capital RMB800,000,000	53.33% (indirect)	100% (indirect)
中環低碳(安徽)新能源光伏組件科技有限公司(前稱:中環中清(安徽)光伏組件有限公司) Zhonghuan Low Carbon (Anhui) New Energy Photovoltaic Module Technology Co., Ltd (formerly known as Zhonghuan Zhongqing (Anhui) Photovoltaic Module Co., Ltd*) "Photovoltaic Module"	PRC, limited liability company	Provision of new energy and EPC	Registered capital RMB100,000,000	53.33% (indirect)	100% (indirect)
中環新能(安徽)先進电池制造有限公司 (前稱:中環中清(安徽)先進電池製造有限公司) Zhonghuan Xin Neng (Anhui) Advanced Battery Manufacturing Co. Ltd. (formerly known as Zhonghuan Zhongqing (Anhui) Advanced Battery Manufacturing Co. Ltd.*)	PRC, limited liability company	Provision of new energy and EPC	Registered capital RMB100,000,000	53.33% (indirect)	100% (indirect)
中環低碳(鳳台)新能源科技有限公司 Zhonghuan Low Carbon (Fengtai) New Energy Technology Co. Ltd.*	PRC, limited liability company	Provision of new energy and EPC	Registered capital RMB30,000,000	100% (indirect)	100% (indirect)

Notes:

(a) None of the subsidiaries had issued any listed securities at the end of the reporting period. The Group had no subsidiaries which have material non-controlling interests for the year ended 31 December 2022.

* English translation of the name of a Chinese company is provided for identification purpose only.

12. PRINCIPAL SUBSIDIARIES *(Continued)*

The table below shows details of non-wholly-owned subsidiary of the Group that has material non-controlling interest:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2023	2022	**2023 HK$'000**	2022 HK$'000	**2023 HK$'000**	2022 HK$'000
Zhonghuan Low Carbon (Anhui) New Energy and its subsidiaries	PRC, limited liability company	**46.67%**	N/A	**5,588**	N/A	**462,088**	N/A
Individually immaterial subsidiaries with non-controlling interests						**(1,383)**	(119)
						460,705	(119)

The non-controlling interests in respect of the others is not material.

Summarised financial information on subsidiaries with material non-controlling interests

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Summarised consolidated statement of financial position

	2023 HK$'000
Current assets	**1,489,569**
Non-current assets	**1,108,101**
Current liabilities	**(1,341,397)**
Non-current liabilities	**(266,156)**
Net assets	**990,117**

12. PRINCIPAL SUBSIDIARIES *(Continued)*

Summarised financial information on subsidiaries with material non-controlling interests *(Continued)*

Summarised consolidated statement of profit or loss and other comprehensive income

	2023 HK$'000
Revenue	1,736,551
Profit for the period	11,974
Profit attributable to the non-controlling interests	5,588
Other comprehensive expense for the period	(7,564)
Other comprehensive expense attributable to the non-controlling interests	(3,530)
Total comprehensive income for the period	4,410
Total comprehensive income allocated to non-controlling interests	2,058

Summarised consolidated statement of cash flows

	2023 HK$'000
Net cash outflow from operating activities	(654,806)
Net cash outflow from investing activities	(821,850)
Net cash inflow from financing activities	1,949,675
Net cash inflow	473,019

12. PRINCIPAL SUBSIDIARIES *(Continued)*

Summarised financial information on subsidiaries with material non-controlling interests *(Continued)*

Deemed disposal of Photovoltaic Module

In May 2023, the Group entered into an investment agreement (the "**Agreements**") with an independent third party who agreed to subscribe RMB700,000,000 new registered capital of Photovoltaic Module, an indirect wholly owned subsidiary of the Company in cash consideration at RMB700,000,000 (approximately HK$770,000,000), which represented approximately 46.67% of the enlarged share capital of Photovoltaic Module. This resulted in a decrease in the Group's equity interest in Photovoltaic Module from 100% to 53.33%. The Group still retains its control over Photovoltaic Module and its subsidiaries, which is then accounted for an equity transaction with non-controlling interests. The difference between the consideration and the carrying value of net assets disposed of amounting to approximately HK$309,970,000 was recognised in equity.

The effect of the disposal on the equity attributable to the owners of the Company is as follows:

	HK$'000
Assets and liabilities at the date of deemed disposal	985,707
46.67% equity interest in Photovoltaic Module disposed of	460,030
Less: Consideration received	(385,000)
Less: Settlement of other borrowing	(385,000)
Difference recognised directly in equity	(309,970)
Net cash inflow arising on disposal:	
Cash consideration received	385,000

13. DIVIDENDS

No dividend was proposed or paid by the Board for the year ended 31 December 2023 (2022: Nil).

14. PROPERTY, PLANT AND EQUIPMENT

	Machinery and equipment HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and office equipment HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
Cost						
At 1 January 2022	38,075	1,399	2,174	5,802	–	47,450
Additions	65,106	–	1,015	388	11,936	78,445
Disposals of subsidiaries	–	(927)	(1,403)	–	(11,873)	(14,203)
Disposals	–	–	–	(640)	–	(640)
Exchange adjustments	(1,683)	(48)	(179)	(23)	(63)	(1,996)
At 31 December 2022	101,498	424	1,607	5,527	–	109,056
Accumulated depreciation						
At 1 January 2022	15,475	582	685	4,087	–	20,829
Charge for the year	6,051	162	308	789	–	7,310
Disposals of subsidiaries	–	(308)	(485)	–	–	(793)
Disposals	–	–	–	(640)	–	(640)
Exchange adjustments	–	(12)	(79)	(14)	–	(105)
At 31 December 2022	21,526	424	429	4,222	–	26,601
Net book value						
At 31 December 2022	79,972	–	1,178	1,305	–	82,455
Cost						
At 1 January 2023	**101,498**	**424**	**1,607**	**5,527**	**–**	**109,056**
Additions	**761,527**	**–**	**5,000**	**401**	**–**	**766,928**
Disposals of subsidiaries	**–**	**–**	**(39)**	**–**	**–**	**(39)**
Exchange adjustments	**(8,545)**	**–**	**(98)**	**(6)**	**–**	**(8,649)**
At 31 December 2023	**854,480**	**424**	**6,470**	**5,922**	**–**	**867,296**
Accumulated depreciation						
At 1 January 2023	**21,526**	**424**	**429**	**4,222**	**–**	**26,601**
Charge for the year	**15,893**	**–**	**631**	**730**	**–**	**17,254**
Disposals of subsidiaries	**–**	**–**	**(31)**	**–**	**–**	**(31)**
Exchange adjustments	**(89)**	**–**	**(28)**	**(1)**	**–**	**(118)**
At 31 December 2023	**37,330**	**424**	**1,001**	**4,951**	**–**	**43,706**
Net book value						
At 31 December 2023	**817,150**	**–**	**5,469**	**971**	**–**	**823,590**

As at 31 December 2023, the Group's certain machinery and equipment with a carrying amount of approximately HK$806,645,000 (2022: nil) have been pledged to secure the Group's borrowings (Note 33).

15. RIGHT-OF-USE ASSETS

For both years, the Group leases certain properties as office premises for its operations. Leases contracts are entered into for fixed terms of three years (2022: three years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

	Office premises HK$'000	**Total** HK$'000
At 31 December 2023		
Carrying amount	**1,683**	**1,683**
At 31 December 2022		
Carrying amount	3,125	3,125
For the year ended 31 December 2023		
Depreciation charge	**1,442**	**1,442**
For the year ended 31 December 2022		
Depreciation charge	1,998	1,998

	2023 **HK$'000**	2022 HK$'000
Finance costs (Note 6)	**138**	319
Expense relating to short-term leases	**793**	1,149
Total cash outflow for leases	**2,311**	3,415
Addition to right-of-use assets	**–**	30,151
Disposals of subsidiaries (Note 37)	**–**	30,982

The Group regularly entered into short-term leases for certain office premises and office equipment.

During the years ended 31 December 2023 and 2022, the local government provided the properties free of charge for supporting the development of the new photovoltaic project in Fengtai County, the PRC. There are no unfulfilled and other contingencies attached.

The lease agreements do not impose any covenants other than the security interests in the leases assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

16. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1 January 2022	257,439
Net decrease in fair value recognised in profit or loss	(7,308)
Exchange adjustments	(20,741)
At 31 December 2022 and 1 January 2023	229,390
Disposal of investment properties	**(6,184)**
Net increase in fair value recognised in profit or loss	**5,185**
Exchange adjustments	**(6,081)**
At 31 December 2023	**222,310**

	2023 HK$'000	2022 HK$'000
Unrealised gain/(loss) on properties revaluation included in profit or loss	**5,185**	(7,308)

The fair value of the Group's investment properties located in the PRC at 31 December 2023 have been arrived at on the basis of a valuation carried out on the respective dates by Peak Vision Appraisals Limited, independent qualified professional valuers not connected to the Group.

Details of the Group's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows:

	Level 3 HK$'000	**Fair value as at 2023 HK$'000**	Level 3 HK$'000	Fair value as at 2022 HK$'000
Investment properties located in the PRC	**222,310**	**222,310**	229,390	229,390

There were no transfers into or out of Level 3 during the year (2022: nil).

As at 31 December 2023, the Group's investment properties with a carrying amount of approximately HK$222,310,000 (2022: nil) have been pledged to secure the Group's borrowings (Note 33).

16. INVESTMENT PROPERTIES *(Continued)*

Investment properties	Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
At 31 December 2023				
Hotels located in the PRC	Level 3	Income capitalisation method	Capitalisation rate 5%	The increase in capitalisation rate, would result in a decrease in fair value and vice versa.
			Market rent per month HK$34.2 per square metre	The increase in market rent, would result in a increase the fair value and vice versa.
Properties located in the PRC	Level 3	Income capitalisation method	Capitalisation rate 4.5%	The increase in capitalisation rate, would result in a decrease in fair value and vice versa.
			Market rent per month HK$42.1 per square metre	The increase in market rent, would result in a increase the fair value and vice versa.
At 31 December 2022				
Hotels located in the PRC	Level 3	Income capitalisation method	Capitalisation rate 4.5%	The increase in capitalisation rate, would result in a decrease in fair value and vice versa.
			Market rent per month HK$34.4 per square metre	The increase in market rent, would result in a increase the fair value and vice versa.
Properties located in the PRC	Level 3	Income capitalisation method	Capitalisation rate 4%	The increase in capitalisation rate, would result in a decrease in fair value and vice versa.
			Market rent per month HK$43.7 per square metre	The increase in market rent, would result in a increase the fair value and vice versa.

As at 31 December 2023 and 2022, the fair value was derived using the income capitalisation method, cross-referenced with comparable market transactions. The income capitalisation approach is based on the capitalisation of the existing rental income at appropriate capitalisation rates that by reference to the yields achieved in analysed market sales transactions and as expected by investors.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

17. INTANGIBLE ASSETS

	Goodwill HK$'000 Note (i)	Licence HK$'000 Note (ii)	Total HK$'000
At 1 January 2022	757	3,088	3,845
Disposal of Hefei Guangyixin (Note 37(d))	(508)	–	(508)
Exchange adjustments	(28)	(240)	(268)
As at 31 December 2022 and 1 January 2023	221	2,848	3,069
Exchange adjustments	**(4)**	**(76)**	**(80)**
As at 31 December 2023	**217**	**2,772**	**2,989**

Notes:

(i) The carrying amount of goodwill is allocated to the CGU as follows:

	2023 **HK$'000**	2022 HK$'000
Property management	**217**	221

(a) Provision of property management services

During the year, the management performed impairment review for the goodwill. The recoverable amount of the CGU has been determined by a value-in-use calculation based on the cash flow forecast derived from the most recent financial budgets and estimated future cash flows covering a 5-year period as approved by management. The CGU's cash flows are extrapolated using a steady 2% growth rate (2022: 2%). This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. All cash flows are using a pre-tax discount rate of 19.27% (2022: 19.61%), that reflect the risks specific to the CGU. No impairment loss was recognised in respect of goodwill allocated to this CGU for the year as the recoverable amount to this CGU exceeded its carrying amount (2022: Nil).

(ii) The licence represents a second class main contractor in general construction works licence (建築工程施工總承包貳級) in the PRC.

The licence is considered by the management of the Group as having an indefinite useful life as it is expected to generate economic benefit to the Group indefinitely. The licence will not be amortised until its useful life is determined to be finite.

During the year, the management performed impairment review for the licence. The recoverable amount of the licence has been determined by a value-in-use calculation based on the cash flow forecast derived from the most recent financial budgets and estimated future cash flows covering a 5-year period as approved by management. The CGU's cash flows are extrapolated using a steady 2% growth rate (2022: 2%). This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. All cash flows are using a pre-tax discount rate of 16.31% (2022: 14.41%), that reflect the risks specific to the licence. No impairment loss was recognised for year as the recoverable amount to the licence exceeded its carrying amount (2022: Nil).

18. DEPOSIT AND PREPAYMENT FOR LIFE INSURANCE POLICY

The Group entered into a life Insurance policy with an insurance company to insure Mr. Ng Chi Bun Benjamin in 2017. Under the policy, Wise Trend Engineering is the beneficiary and policy holder and the total insured sum is US$ 1,080,000 (equivalent to approximately HK$8,424,000). Wise Trend Engineering is required to pay upfront deposits of approximately US$388,000 (equivalent to approximately HK$3,026,000). Wise Trend Engineering can terminate the policy at any time and receive cash back based on the cash value of the policy at the date of withdrawal, which is determined by the upfront payments of approximately US$388,000 (equivalent to approximately HK$3,026,000) plus accumulated interest earned and minus the accumulated insurance charge and policy expense charge. In addition, if withdrawal is made at any time during the first to the eighteenth policy year, as appropriate, a pre-determined specified amount of surrender charge would be imposed. The insurance company will pay Wise Trend Engineering a guaranteed interest of 3.55% per annum for the first year, followed by guaranteed interest of 2% per annum or above per annum for the following years.

At 31 December 2023, the deposits and prepayments for life insurance policies amounted to approximately HK$3,374,000 (2022: HK$3,293,000). The deposits and prepayments for life insurance policies are denominated in US$.

Included in sundries income for the year was amount of approximately HK$105,000 (2022: HK$104,000) in respect of income on deposit and prepayment for life insurance policy.

In the opinion of the directors of the Company, the surrender cash value (including guaranteed interest) reported by the financial institution on a regular basis is the best approximation of its fair value, which is categorised within Level 2 of the fair value hierarchy.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 **HK$'000**	2022 HK$'000
Equity securities listed in the United States	**8**	796

The fair value of the listed securities are determined based on quoted market bid price available on the relevant stock exchange.

Details of disclosure for fair value measurement are set out in Note 3.3.

20. PROPERTIES AVAILABLE FOR SALE

	2023 **HK$'000**	2022 HK$'000
Properties available for sale	**36,200**	72,547

As at 31 December 2023, the Group's properties available for sale with a carrying amount of approximately HK$36,200,000 (2022: nil) have been pledged to secure the Group's borrowings (Note 33).

21. FINANCIAL INSTRUMENTS BY CATEGORY

	2023 HK$'000	2022 HK$'000
Financial assets		
Financial assets at fair value through profit or loss		
— mandatorily measured at FVTPL	**8**	796
Financial assets at amortised cost		
Trade, bills and other receivables excluding prepayments and deposits paid for acquisition of property, plant and equipment	**990,946**	304,396
Pledged bank deposits	**405,159**	–
Cash and bank balances	**137,372**	613,996
Total	**1,533,477**	918,392
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	**967,744**	318,189
Amounts due to related companies	**–**	397,072
Borrowings	**1,121,305**	499,728
Lease liabilities	**1,876**	3,256
Total	**2,090,925**	1,218,245

22. CONTRACT ASSETS AND CONTRACT LIABILITIES

	2023 HK$'000	2022 HK$'000
Contract assets	**93,895**	105,350
Less: Provision for impairment losses	**(1,190)**	(463)
Contract assets — net	**92,705**	104,887
Contract liabilities	**(65,269)**	(65,736)
	27,436	39,151

Included in the Group's contract assets are amount due from a related party of approximately HK$6,440,000 as at 31 December 2023 (2022: HK$8,885,000).

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on factors other than passage of time. The contract assets are transferred to trade receivables when the rights become unconditional. When the Group receives a deposit before services are rendered, this will give rise to contract liabilities at the beginning of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit.

22. CONTRACT ASSETS AND CONTRACT LIABILITIES *(Continued)*

Included in contract liabilities as at 31 December 2023 were in relation to the types of service or goods as the followings: (i) amounted to approximately HK$6,895,000 (2022: HK$19,465,000) for foundation works and superstructure building works; (ii) amounted to approximately HK$10,612,000 (2022: HK$14,260,000) for property management services; (iii) amounted to approximately HK$462,000 (2022: HK$28,400,000) for trading of construction materials; (iv) amounted to approximately HK$4,518,000 (2022: HK$1,062,000) for sales of agricultures products, food and beverage materials; (v) amounted to Nil (2022: HK$2,000,000) for sales of healthcare products and healthy food; (vi) amounted to approximately HK$413,000 (2022: HK$549,000) for installation of smart energy equipments services; and (vii) amounted to approximately HK$42,369,000 (2022: Nil) for manufacturing and sales of photovoltaic products and EPC.

As at 31 December 2023, included in contract assets comprises retention receivables of approximately HK$25,668,000 (2022: HK$22,517,000). Retention receivables represented the monies withheld by customers of contract works fully recoverable within 1 year from the date of completion of construction contracts, in accordance with the terms specified in the relevant contracts. Generally, upon satisfactory completion of contract work as set out in the contract, partial of the retention money of such contract work will be released to the Group, while the remaining will be released to the Group upon the expiration of the defects liability period.

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities:

	2023 HK$'000	2022 HK$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**65,736**	18,880

Details of impairment assessment of contract assets for the years ended 31 December 2023 and 2022 are set out in Note 3.1.

23. TRADE AND OTHER RECEIVABLES

	2023 HK$'000	2022 HK$'000
Trade receivables	**865,759**	230,495
Less: Provision for impairment losses on trade receivables	**(11,392)**	(36,001)
	854,367	194,494
Bills receivables (note d)	**89,365**	–
Less: Provision for impairment losses on bills receivables	**(824)**	–
	88,541	–
Sub-total	**942,908**	194,494
Other receivables	**36,319**	38,280
Deposits	**11,988**	73,443
Deposits paid for acquisition of property, plant and equipment	**330,996**	–
Prepayments	**238,514**	35,940
Less: Provision for impairment losses on other receivables and deposits	**(269)**	(1,821)
	617,548	145,842
Total	**1,560,456**	340,336
Analysed as:		
Non-current	**330,996**	–
Current	**1,229,460**	340,336
	1,560,456	340,336

Notes:

(a) The credit terms granted to customers are varied and are generally the result of negotiations between individual customers and the Group. The credit period granted to customers is generally 7 to 270 days (2022: 7 to 270 days).

(b) The trade receivables included amounts due from related companies of approximately HK$1,187,000 of trading in nature as at 31 December 2022. The ageing analysis of the trade receivables (excluding bills receivables) based on payment certificate date/invoice date is as follows:

	2023 HK$'000	2022 HK$'000
0–30 days	**638,078**	99,220
31–60 days	**18,414**	43,344
61–90 days	**107,292**	10,242
Over 90 days	**101,975**	77,689
	865,759	230,495

23. TRADE AND OTHER RECEIVABLES *(Continued)*

Notes (continued):

(c) Age of trade receivables that are past due but not impaired:

As at 31 December 2023, trade receivables of approximately HK$142,534,000 (2022: HK$107,207,000) were past due. Out of the past due balances, nil (2022: HK$52,920,000) has been past due 90 days or more and is not considered as in default. Based on past experience and forward-looking estimates, the amounts are considered as recoverable.

(d) Bills receivables are received from customers under ordinary course of business. All of the bills receivables are bank acceptance notes with a maturity period within six months.

(e) The other classes within trade and other receivables do not contain impaired assets. The Group does not hold any collateral as security.

(f) Details of impairment assessment of trade receivables, bills receivables, other receivables and deposits for the years ended 31 December 2023 and 2022 are set out in Note 3.1.

(g) Transfer of financial assets:

The following were the Group's trade receivables as at 31 December 2023 that were transferred to a financial institution in the PRC by discounting on a full recourse basis. As the Group has not transferred the significant risks and rewards, it continues to recognise the full carrying amount and has recognised cash received on the transfer as other borrowings (see Note 33). These financial assets are carried at amortised cost in the Group's consolidated statement of financial position.

	2023 HK$'000	2022 HK$'000
Carrying amount of transferred assets	**42,334**	83,528
Carrying amount of associated liabilities	**42,026**	71,538

24. INVENTORIES

Inventories in the consolidated statements of financial position comprise:

	2023 HK$'000	2022 HK$'000
Raw materials	**83,787**	15,487
Working in process	**36,905**	–
Finished goods	**89,080**	21,096
	209,772	36,583

25. CASH AND BANK BALANCES/PLEDGED BANK DEPOSITS

	2023 HK$'000	2022 HK$'000
Cash at banks	137,365	613,929
Cash on hand	7	67
Cash and cash equivalents	137,372	613,996

Notes:

(a) As at 31 December 2023, pledged bank deposits held at banks of approximately HK$405,159,000 (2022: nil) were denominated in RMB, which were reserves provided for bills payables.

(b) As at 31 December 2023, included in cash and cash equivalents of the Group was approximately HK$124,453,000 (2022: HK$452,300,000) of bank balances denominated in RMB placed with banks in the PRC, which are not freely convertible into other currencies.

(c) Cash at banks earns interest at floating rates based on daily bank deposit rates.

26. SHARE CAPITAL

	Number of shares '000	Share capital HK$'000
Ordinary shares of HK$0.000625 (2022: HK$0.0025) each		
Authorised:		
At 1 January 2022, 31 December 2022 and 1 January 2023	**20,000,000**	**50,000**
Effect of share subdivision (Note)	**60,000,000**	**–**
At 31 December 2023	**80,000,000**	**50,000**
Issued and fully paid:		
At 1 January 2022, 31 December 2022 and 1 January 2023	**1,056,000**	**2,640**
Effect of share subdivision (Note)	**3,168,000**	**–**
At 31 December 2023	**4,224,000**	**2,640**

Note: An ordinary resolution for the share subdivision was passed at the extraordinary general meeting of the Company held on 20 December 2023. The subdivision of each of the existing issued and unissued ordinary share of a par value of HK$0.0025 each in the share capital of the Company into four ordinary shares of a par value of HK$0.000625 each of the Company, has been effective from 22 December 2023.

27. SHARE OPTION SCHEME

The Company's share option scheme (the "**Scheme**") was adopted pursuant to a resolution passed on 13 March 2018 as to attract and retain the best available personnel and to provide additional incentive to the eligible participants under the Scheme.

Under the Scheme, the directors of the Company may at their absolute discretion and subject to the terms of the Scheme, grant options to any employees (full-time or part-time), directors, consultants or advisors, substantial shareholder, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group, to subscribe for shares of the Company. The eligibility of any participants to the grant of any options shall be determined by the directors from time to time on the basis of the directors' opinion as to their contribution to the development and growth of the Group.

The aggregate number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share options schemes of the Company must not exceed 30% of the Company's shares in issue from time to time. No options may be granted under the Scheme or any other share options schemes of the Company if this will result in the limit being exceeded. The maximum number of shares issuable upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company as from the adoption date must not in aggregate exceed 10% of all the shares in issue upon the date on which the shares are listed and permitted to be dealt in the Stock Exchange. The 10% limit may be refreshed at any time by approval of the Company's shareholders in general meeting provided that the total number of the Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other share options schemes of the Company must not exceed 10% of the Company's shares in issue as at the date of approval of the refreshed limit.

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) under the Scheme or any other share option schemes of the Company in any 12-month period up to date of grant shall not exceed 1% of the shares of the Company in issue. Where any further grant of options to a participant under the Scheme would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such participant and his/her close associates abstaining from voting.

27. SHARE OPTION SCHEME *(Continued)*

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approval by the independent non-executive directors of the Company (excluding any independent non-executive director who is the grantee). Where any share options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective close associates would result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) under the Scheme and any other share option schemes of the Company to such person in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares of the Company in issue and having an aggregate value in excess of HK$5 million must be approved by the Company's shareholders at the general meeting of the Company, with voting to be taken by way of poll.

The offer of a grant of share options might be accepted in writing within 7 days from the date of the offer. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the directors may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. A nominal consideration of HK$1 is payable on acceptance of the grant of an option with a remittance in favour of the Company within such time as may be specified in the offer (which shall not be later than 7 days from the date of the offer).

The subscription price shall be a price solely determined by the board of directors of the Company and notified to a participant and shall be at least the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the offer date; (ii) the average closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date; and (iii) the nominal value of the Company's share on the offer date.

The Scheme shall be valid and effective for a period of ten years commencing on 13 March 2018, subject to early termination provisions contained in the Scheme.

No share options were granted since the adoption of the Scheme and there were no share option outstanding as at 31 December 2023 and 2022.

28. LEASE LIABILITIES

	2023 HK$'000	2022 HK$'000
Lease liabilities payable:		
Within one year	**1,601**	1,380
Within a period of more than one year but not exceeding two years	**275**	1,876
	1,876	3,256
Less: Amount due for settlement within 12 months shown under current liabilities	**(1,601)**	(1,380)
Amount due for settlement after 12 months shown under non-current liabilities	**275**	1,876

29. LIABILITIES FOR LONG SERVICE PAYMENTS

Under the Hong Kong Employment Ordinance, the Group is obligated to make lump sum payments on cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employees' final salary and years of service and is reduced by entitlements accrued under the Group's retirement plan that are attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations. The long service payments are paid out from the Group's cash at banks when such payments are required.

	Total HK$'000
At 1 January 2022	884
Credited to profit or loss	(203)
At 31 December 2022 and 1 January 2023	681
Charged to profit or loss	**423**
At 31 December 2023	**1,104**

30. DEFERRED TAX ASSETS/DEFERRED TAX LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2023 HK$'000	2022 HK$'000
Deferred tax assets	32	–
Deferred tax liabilities	(7,185)	(7,705)
	(7,153)	(7,705)

The components of deferred tax assets/(liabilities) recognised in the consolidated statements of financial position and the movements during the years are as follows:

	ECL provision HK$'000	Accelerated tax depreciation HK$'000	Land appreciation tax HK$'000	Right-of-use assets HK$'000	Lease liabilities HK$'000	Total HK$'000
At 1 January 2022 (audited)	4	(2,879)	(8,175)	–	–	(11,050)
Adjustment (note 2)	–	–	–	(1,573)	1,573	–
At 1 January 2022 (restated)	4	(2,879)	(8,175)	(1,573)	1,573	(11,050)
Disposal of subsidiaries	–	–	–	1,354	(1,354)	–
New leases entered	–	–	–	(714)	714	–
Credited/(charged) to profit or loss (Note 10)	2	898	1,827	318	(318)	2,727
Exchange realignment	–	–	618	78	(78)	618
At 31 December 2022 and 1 January 2023 (restated)	6	(1,981)	(5,730)	(537)	537	(7,705)
Credited/(charged) to profit or loss (Note 10)	759	894	(1,296)	260	(228)	389
Exchange realignment	–	–	163	–	–	163
At 31 December 2023	**765**	**(1,087)**	**(6,863)**	**(277)**	**309**	**(7,153)**

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to profits earned by the PRC subsidiaries amounting to approximately HK$492,267,000 as at 31 December 2023 (2022: HK$145,371,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

At the end of the reporting period, the Group has estimated unused tax losses of approximately HK$87,395,000 (2022: approximately HK$158,811,000) available for offsetting against future profits. No deferred tax asset has been recognised in respect of these estimated unused tax losses due to unpredictability of future profit streams. The losses may be carried forward indefinitely.

31. TRADE AND OTHER PAYABLES

	2023 HK$'000	2022 HK$'000
Trade payables	**897,455**	284,606
Accruals and other payables	**70,289**	33,583
	967,744	318,189

Notes:

(a) Payment terms granted by suppliers are generally 7 to 270 days (2022: 7 to 270 days) from the invoice date of the relevant purchases.

(b) The ageing analysis of trade payables based on the invoice date is as follows:

	2023 HK$'000	2022 HK$'000
0–30 days	**511,033**	166,872
31–60 days	**167,300**	36,991
61–90 days	**78,052**	1,750
Over 90 days	**141,070**	78,993
	897,455	284,606

(c) In the Group's other payables are amounts due to related parties of approximately HK$12,000 as at 31 December 2023 (2022: HK$804,000), which are non-interest bearing and repayable on demand.

32. AMOUNTS DUE TO RELATED COMPANIES

As at 31 December 2022, the amounts due to related companies are unsecured, non-interest bearing and repayable from two to three years.

33. BORROWINGS

	2023 HK$'000	2022 HK$'000
Bank borrowings — secured	**560,257**	4,690
Other borrowings — secured	**42,026**	71,538
Other borrowings — unsecured	**58,000**	423,500
Bills payables with full recourse	**461,022**	–
	1,121,305	499,728

	2023 HK$'000	2022 HK$'000
The carrying amounts of the above borrowings are repayable:		
Within one year	**833,149**	499,728
Within a period of more than one year but not exceeding two years	**37,488**	–
Within a period of more than two year but not exceeding five years	**134,464**	–
More than five years	**116,204**	–
	1,121,305	499,728
Less: Amount due for settlement within 12 months shown under current liabilities	**(833,149)**	(499,728)
Amount due for settlement after 12 months shown under non-current liabilities	**288,156**	–

The effective interest rates of the fixed-rate bank borrowings of approximately HK$23,320,000 (2022: HK$4,690,000) bear interest rate of 3.5 to 6.9% per annum (2022: 3.3%). The variable-rate bank borrowings of approximately HK$536,937,000 (2022: nil) bear interest ranged from one year Loan Prime Rate ("**LPR**") plus 1.55% to 1.7% per annum and five years LPR plus 0.90% per annum issued by The People's Bank of China (2022: nil).

As at 31 December 2023, certain banking facilities of the Group were secured by corporate guarantees issued by the Company and personal guarantee provided by Mr. Yu Zhuyun, an executive director and the controlling shareholder of the Company. As at 31 December 2023, investment properties, properties available for sale and certain assets included in the property, plant and equipment of the Group with carrying amount of approximately HK$222,310,000, HK$36,200,000 and HK$806,645,000, respectively (2022: nil) were pledged as security for certain of the Group's bank borrowings.

The other borrowings amounting approximately HK$42,026,000 (2022: HK$71,538,000) are secured by certain trade receivables (Note 23) and bear fixed interest at 9.3% per annum (2022: 9.3% per annum).

The other borrowings amounting approximately HK$58,000,000 (2022: HK$28,000,000) are unsecured and bear fixed interest at 5% per annum (2022: 5% per annum).

The other borrowings amounting approximately HK$395,500,000 are unsecured and non-interest bearing in 2022.

33. BORROWINGS *(Continued)*

Borrowings that are denominated in currency other than the functional currency of the relevant group entities are set out below:

	2023 HK$'000	2022 HK$'000
HK$	153,037	–

34. NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of profit/(loss) before income tax to net cash used in operations

	2023 HK$'000	2022 HK$'000
Profit/(loss) before income tax	82,853	(31,010)
Adjustments for:		
Depreciation of property, plant and equipment	17,254	7,310
Depreciation of right-of-use assets	1,442	1,998
Interest income	(1,381)	(237)
(Reversal of)/provision for impairment losses on trade receivables	(23,913)	34,160
Provision for/(reversal of) impairment losses on contract assets	744	(68)
(Reversal of)/provision for impairment losses on other receivables and deposits	(656)	1,466
(Gain)/loss on fair value changes of investment properties	(5,185)	7,308
(Gain)/loss on fair value changes of FATPL	(1)	9,097
Net gains on disposal of subsidiaries	(11,745)	(34,959)
Net losses on deregistration of subsidiaries	164	–
Gain on disposal of FATPL	(81)	–
Gain on disposal of investment properties	(1,637)	–
Business consulting fee	–	(9,173)
Provision for/(reversal of) long service payments	423	(203)
Finance costs	25,190	5,520
Operating profit/(loss) before working capital changes	83,471	(8,791)
Decrease in properties available for sale	2,557	12,879
Decrease in contract assets	9,839	24,441
Increase in trade and other receivables	(1,225,556)	(189,656)
Increase in inventories	(175,744)	(37,554)
Increase in contract liabilities	1,276	49,675
Increase in trade and other payables	709,031	86,300
Increase in pledged bank deposits	(405,159)	–
Net cash used in operations	**(1,000,285)**	(62,706)

34. NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS *(Continued)*

(b) Reconciliation of liabilities arising from financing activities:

	Amounts due to related companies HK$'000	**Borrowings** HK$'000	**Lease liabilities** HK$'000	**Total** HK$'000
As at 1 January 2022	103,196	107,047	6,290	216,533
Finance costs	–	5,201	319	5,520
Financing cash flow	310,291	393,921	(2,266)	701,946
Transfer to other payables and accruals	–	(5)	–	(5)
New leases entered	–	–	4,327	4,327
Disposals of subsidiaries	(9,438)	–	(5,368)	(14,806)
Exchange adjustments	(6,977)	(6,436)	(46)	(13,459)
As at 31 December 2022 and 1 January 2023	397,072	499,728	3,256	900,056
Finance costs	**–**	**25,052**	**138**	**25,190**
Financing cash flow	**(91,901)**	**1,016,144**	**(1,518)**	**922,725**
Settlement for deemed disposal of partial interest in a subsidiary	**–**	**(385,000)**	**–**	**(385,000)**
Deemed contribution from a shareholder from extinguished loan	**(298,143)**	**–**	**–**	**(298,143)**
Exchange adjustments	**(7,028)**	**(34,619)**	**–**	**(41,647)**
As at 31 December 2023	**–**	**1,121,305**	**1,876**	**1,123,181**

(c) Major non-cash transaction

(i) During the year ended 31 December 2022, the Group received business consulting fee included in the other income of approximately HK$9,173,000. Such amount was settled by listed equity securities and recognised as financial assets at fair value through profit or loss.

35. RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in making financial or operational decisions. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

35. RELATED PARTY TRANSACTIONS *(Continued)*

Save as disclosed in Notes 22, 23, 31 and 32 to this report, the Group had the following significant related party transactions during the years are as follows:

(a) Transactions with related party

Name of related party	Nature of transaction	2023 HK$'000	2022 HK$'000
Grand Faith International Investment Limited (Notes (i) and (ii))	Rental expense from short-term leases	–	550
	Management fee	–	3
Linquan Zhongzhihuan Property Development Limited* (臨泉中之環置業有限公司) (Note (i))	Revenue from foundation works and superstructure building works	–	26,496

* English translation of the name of a Chinese company is provided for identification purpose only.

Notes:

(i) The companies were controlled by Mr. Yu.

(ii) The management fee and rental expenses for short-term leases payable to the above related parties are based on the agreements entered into between the parties involved.

(b) The emoluments of the directors and senior executives (representing the key management personnel) during the years ended 31 December 2023 and 2022 are disclosed in Note 9.

36. SURETY BONDS AND CONTINGENT LIABILITIES

Certain customers of construction contracts undertaken by the Group require the Group to issue guarantees for the performance of contract works in the form of surety bonds of approximately HK$35,056,000 (2022: HK$38,111,000) as at 31 December 2023. Mr. Ng Wong Kwong, Ms. Ng Chung Yan May and Wise Trend Engineering have unconditionally and irrevocably agreed to indemnify to the insurance companies that issue such surety bonds for claims and losses the insurance companies may incur in respect of the bonds. The surety bonds will be released when the contracts are completed or substantially completed pursuant to the relevant contract.

As at 31 December 2023, the Group paid a cash collateral of approximately HK$10,750,000 (2022: HK$11,650,000) to the insurance companies for the issuance of surety bonds and are included in other receivables, deposits and prepayments (Note 23).

The Group, in the ordinary course of its business, is involved in various claims, suits, investigations, and legal proceedings that arise from time to time. Although the Group does not expect that the outcome in any of these legal proceedings, individually or collectively, will have a material adverse effect on its financial position or results of operations, litigation is inherently unpredictable. Therefore, the Group could incur judgements or enter into settlements of claims that could adversely affect its operating results or cash flows in a particular period.

37. DISPOSALS OF SUBSIDIARIES

(a) Disposal of Central Red Phoenix Supply Chain (HK) Limited and its subsidiary (collectively named "Central Red Phoenix")

In May 2023, the Group disposed of its entire equity interest in Central Red Phoenix Supply Chain (HK) Limited, an indirect wholly-owned subsidiaries of the Company, for HK$10,000,000 consideration to a third party. The aggregated net assets of Central Red Phoenix as at the date of disposal are set out as follows:

Analysis of assets and liabilities over which control was lost:

	HK$'000
Current assets	
Trade and other receivables	6,973
Cash and cash equivalents	1,312
Current liabilities	
Trade and other payables	(6,878)
Net assets disposal of	1,407

Gain on disposal of Central Red Phoenix

	HK$'000
Cash consideration received	10,000
Net assets disposed of	(1,407)
Reclassification of cumulative translation reserve upon disposal of Central Red Phoenix to profit or loss	(94)
Gain on disposal	8,499

Analysis of net inflow of cash and cash equivalents in respect of the disposal of Central Red Phoenix

	HK$'000
Consideration received in cash	10,000
Less: cash and cash equivalents disposed	(1,312)
Net cash inflow	8,688

37. DISPOSALS OF SUBSIDIARIES *(Continued)*

(b) Disposal of 新田鋪(浙江)供應鏈有限公司 Xintianpu (Zhejiang) Supply Chain Co., Ltd.* ("Xintianpu Supply Chain") and its subsidiary

In May 2023, the Group disposed the entire equity interests of Xintianpu Supply Chain and its subsidiary (collectively named "**Xintianpu Supply Chain Group**"), indirect wholly-owned subsidiaries of the Company, for consideration of approximately RMB296,000 (equivalent to approximately HK$324,000) to a third party. The aggregated net assets of the Xintianpu Supply Chain Group as at the date of disposal are set out as follows:

Analysis of assets and liabilities over which control was lost:

	HK$'000
Current assets	
Trade and other receivables	2,906
Cash and cash equivalents	164
Current liabilities	
Trade and other payables	(2,326)
Net assets disposal of	744

Gain on disposal of Xintianpu Supply Chain Group

	HK$'000
Cash consideration received	324
Net assets disposed of	(744)
Non-controlling interest	489
Reclassification of cumulative translation reserve upon disposal of Xintianpu Supply Chain Group to profit or loss	(26)
Gain on disposal	43

Analysis of net inflow of cash and cash equivalents in respect of the disposal of Xintianpu Supply Chain Group

	HK$'000
Consideration received in cash	324
Less: cash and cash equivalents disposed	(164)
Net cash inflow	160

37. DISPOSALS OF SUBSIDIARIES *(Continued)*

(c) Disposal of 中之環大健康科技發展(北京)有限公司 Zhongzhihuanda Health Technology Development (Beijing) Co., Ltd.* ("Zhongzhihuanda Health")

In June 2023, the Group disposed its entire equity interests of Zhongzhihuanda Health, indirect wholly-owned subsidiaries of the Company, for nil consideration to a third party. The aggregated net liabilities of the Zhongzhihuanda Health as at the date of disposal are set out as follows:

Analysis of assets and liabilities over which control was lost:

	HK$'000
Non-current assets	
Property, plant and equipment	8
Current assets	
Trade and other receivables	1,052
Cash and cash equivalents	1
Current liabilities	
Trade and other payables	(4,043)
Net liabilities disposal of	(2,982)

Gain on disposal of Zhongzhihuanda Health

	HK$'000
Cash consideration received	–
Net liabilities disposed of	2,982
Reclassification of cumulative translation reserve upon disposal of Zhongzhihuanda Health to profit or loss	221
Gain on disposal	3,203

Analysis of net outflow of cash and cash equivalents in respect of the disposal of Zhongzhihuanda Health

	HK$'000
Consideration received in cash	–
Less: cash and cash equivalents disposed	(1)
Net cash outflow	(1)

37. DISPOSALS OF SUBSIDIARIES *(Continued)*

(d) Disposal of Hefei Guangyixin

In February 2022, the Group disposed of its entire equity interest in Hefei Guangyixin, an indirect wholly-owned subsidiary of the Company, for nil consideration to a third party. The aggregated net liabilities of Hefei Guangyixin as at the date of disposal are set out as follows:

Analysis of assets and liabilities over which control was lost:

	HK$'000
Current assets	
Trade and other receivables	663
Bank balances	45
Current liabilities	
Trade and other payables	(2,299)
Net liabilities disposal of	(1,591)

Gain on disposal of Hefei Guangyixin

	HK$'000
Cash consideration received	–
Net liabilities disposed of	1,591
Goodwill	(508)
Reclassification of cumulative translation reserve upon disposal of Hefei Guangyixin to profit or loss	(137)
Gain on disposal	946

Analysis of net outflow of cash and cash equivalents in respect of the disposal of Hefei Guangyixin

	HK$'000
Consideration received in cash	–
Less: cash and cash equivalents disposed	(45)
Net cash outflow	(45)

37. DISPOSALS OF SUBSIDIARIES *(Continued)*

(e) Disposal of Lenesta Health

In June 2022, the Group disposed of its entire equity interest in Lenesta Health, an indirect wholly-owned subsidiary of the Company, for nil consideration to third parties. The aggregated net liabilities of Lenesta Health as at the date of disposal are set out as follows:

Analysis of assets and liabilities over which control was lost:

	HK$'000
Non-current assets	
Right-of-use assets	5,158
Property, plant and equipment	1,535
Current assets	
Other receivables	640
Bank balances	113
Current liabilities	
Other payables	(2,497)
Amount due to related companies	(5,994)
Lease liabilities	(1,080)
Non-current liabilities	
Lease liabilities	(4,334)
Net liabilities disposed of	(6,459)

Gain on disposal of Lenesta Health

	HK$'000
Cash consideration received	–
Net liabilities disposed of	6,459
Reclassification of cumulative translation reserve upon disposal of Lenesta Health to profit or loss	192
Gain on disposal	6,651

Analysis of net outflow of cash and cash equivalents in respect of the disposal of Lenesta Health

	HK$'000
Consideration received in cash	–
Less: cash and cash equivalents disposed	(113)
Net cash outflow	(113)

37. DISPOSALS OF SUBSIDIARIES *(Continued)*

(f) Disposal of Hao Zhe Kou (HK) Catering Management Limited and its subsidiaries (collectively named "Hao Zhe Kou Group")

In August 2022, the Group disposed of 41% its entire equity interests in Hao Zhe Kou Group, indirect wholly-owned subsidiaries of the Company, reducing its equity interest of 19% for nil consideration to third parties. The aggregated net liabilities of the Hao Zhe Kou Group as at the date of disposal are set out as follows:

Analysis of assets and liabilities of over which control was lost:

	HK$'000
Non-current assets	
Property, plant and equipment	2
Current assets	
Trade and other receivables	853
Bank balances	382
Current liabilities	
Trade and other payables	(2,081)
Amount due to related companies	(3,444)
Net liabilities disposed of	(4,288)

Gain on disposal of Hao Zhe Kou Group

	HK$'000
Cash consideration received	–
Net liabilities disposed of	4,288
Non-controlling interest	(1,043)
Reclassification of cumulative translation reserve upon disposal of Hao Zhe Kou Group to profit or loss	(33)
Gain on disposal	3,212

Analysis of net outflow of cash and cash equivalents in respect of the disposal of Hao Zhe Kou Group

	HK$'000
Consideration received in cash	–
Less: cash and cash equivalents disposed	(382)
Net cash outflow	(382)

37. DISPOSALS OF SUBSIDIARIES *(Continued)*

(g) Disposal of 京中環置業有限公司 JD Central Lead Property Limited* ("JD Central Lead") and its subsidiary

In November 2022, the Group disposed the entire equity interests of JD Central Lead and its subsidiary (collectively named "**JD Central Lead Group**"), indirect wholly-owned subsidiaries of the Company, for cash consideration of approximately RMB34,013,000 (equivalent to approximately HK$38,111,000) to a third party. The aggregated net assets of the JD Central Lead Group as at the date of disposal are set out as follows:

Analysis of assets and liabilities of over which control was lost:

	HK$'000
Non-current assets	
Right-of-use assets	25,824
Property, plant and equipment	11,873
Current assets	
Trade and other receivables	29,271
Bank balances	810
Current liabilities	
Trade and other payables	(41,672)
Net assets disposed of	26,106

Gain on disposal of JD Central Lead Group

	HK$'000
Cash consideration received and receivable	38,111
Net assets disposed of	(26,106)
Non-controlling interest	12,818
Reclassification of cumulative translation reserve upon disposal of JD Central Lead Group to profit or loss	(817)
Gain on disposal	24,006

Analysis of net inflow of cash and cash equivalents in respect of the disposal of JD Central Lead Group

	HK$'000
Consideration received in cash	34,300
Less: cash and cash equivalents disposed	(810)
Net cash inflow	33,490

38. CAPITAL COMMITMENTS

	2023 **HK$'000**	2022 HK$'000
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**418,148**	–

39. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position

	2023 HK$'000	2022 HK$'000
ASSETS		
Non-current assets		
Investment in subsidiaries	**278,494**	50,124
Current assets		
Other receivables	**82**	2,136
Amounts due from subsidiaries	**125,458**	351,986
Cash and cash equivalents	**3,409**	9,093
	128,949	363,215
Total assets	**407,443**	413,339
EQUITY		
Capital and reserves		
Share capital	**2,640**	2,640
Reserves	**316,137**	23,090
Total equity	**318,777**	25,730
LIABILITIES		
Non-current liabilities		
Amounts due to related companies	**–**	329,165
Current liabilities		
Other payables	**2,095**	1,926
Amounts due to subsidiaries	**86,571**	56,518
	88,666	58,444
Total liabilities	**88,666**	387,609
Total equity and liabilities	**407,443**	413,339
Net current assets	**40,283**	304,771
Total assets less current liabilities	**318,777**	354,895

The financial statements were approved and authorised for issue by the Board of Directors on 16 March 2024 and signed on its behalf by:

Mr. Yu Zhuyun
Director

Mr. Li Menglin
Director

39. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

(b) Reserve movement

	Share premium HK$'000	**Contributed surplus** HK$'000	**Accumulated losses** HK$'000	**Total** HK$'000
Balance at 1 January 2022	88,276	–	(55,241)	33,035
Loss and total comprehensive expense for the year	–	–	(9,945)	(9,945)
Balance at 31 December 2022 and 1 January 2023	88,276	–	(65,186)	23,090
Deemed contribution from a shareholder from extinguished loans	**–**	**293,709**	**–**	**293,709**
Loss and total comprehensive expense for the year	**–**	**–**	**(662)**	**(662)**
Balance at 31 December 2023	**88,276**	**293,709**	**(65,848)**	**316,137**

Financial Summary

The financial summary of the Group for the current year and last five financial years/period is set as follows:

RESULTS

	For the year ended 31 December 2023 HK$'000	For the year ended 31 December 2022 HK$'000	For the year ended 31 December 2021 HK$'000	For the nine months ended 31 December 2020 HK$'000	For the year ended 31 March 2020 HK$'000
Revenue	**4,028,299**	1,613,641	1,086,236	373,527	180,447
Direct costs	**(3,855,486)**	(1,582,543)	(1,034,470)	(368,301)	(173,320)
Gross profit	**172,813**	31,098	51,766	5,226	7,127
Other income and net gains	**18,811**	37,866	41,413	3,207	4,347
Gain/(loss) on fair value changes of investment properties	**5,185**	(7,308)	45,254	35,703	5,375
Gain on disposal of investment properties	**1,637**	–	–	–	–
Selling expenses	**(9,448)**	(3,604)	(8,257)	(3,857)	–
Administrative and other operating expenses	**(80,955)**	(83,542)	(47,224)	(36,326)	(27,381)
Finance costs	**(25,190)**	(5,520)	(3,413)	(76)	(18)
Profit/(loss) before income tax	**82,853**	(31,010)	79,539	3,877	(10,550)
Income tax (expense)/credit	**(11,564)**	682	(19,253)	(4,529)	(2,137)
Profit/(loss) for the year/period	**71,289**	(30,328)	60,286	(652)	(12,687)
Other comprehensive (expense)/income	**(15,746)**	(24,324)	7,365	2,395	(98)
Total comprehensive income/(expense) for the year/period attributable to owners of the Company	**55,543**	(54,652)	67,651	1,743	(12,785)
Profit/(loss) attributables to:					
Owners of the Company	**66,323**	(27,843)	61,985	(749)	(12,687)
Non-controlling interests	**4,966**	(2,485)	(1,699)	97	–
Profit/(loss) for the year/period	**71,289**	(30,328)	60,286	(652)	(12,687)
Total comprehensive income/(expense) attributable to:					
Owners of the Company	**54,125**	(41,756)	67,887	1,641	(12,785)
Non-controlling interests	**1,418**	(12,896)	(236)	102	–
Total comprehensive income/(expense)	**55,543**	(54,652)	67,651	1,743	(12,785)

	As at 31 December 2023 HK$'000	As at 31 December 2022 HK$'000	As at 31 December 2021 HK$'000	As at 31 December 2020 HK$'000	As at 31 March 2020 HK$'000
Non-current assets	**1,384,974**	321,332	297,185	112,533	43,206
Current assets	**2,111,310**	1,169,706	474,996	367,954	231,208
Non-current liabilities	**296,720**	407,334	148,209	13,723	3,646
Current liabilities	**1,888,329**	895,531	392,758	304,307	110,054
Equity attributable to owners of the Company	**850,530**	188,292	230,048	162,355	160,714
Non-controlling interests	**460,705**	(119)	1,166	102	–
Total equity	**1,311,235**	188,173	231,214	162,457	160,714

Summary of Properties

The properties held by the Group for the Reporting Year are set out as follows:

PARTICULAR OF PROPERTY HELD AS INVESTMENT PROPERTY

Name/location	Existing use	Gross Floor Area	Group's interest	Stage of completion	Purposes
Xintianpu Rural Wellness Centre Fushi Street, Qujiang District, Quzhou City, Zhejiang Province, PRC	Hotel	18,599 sqm	100%	100%	Long-term leasing
Xintianpu Rural Wellness Centre Block 5 B , Fushi Street, Qujiang District, Quzhou City, Zhejiang Province, PRC	Bungalow	294.1 sqm	100%	100%	Long-term leasing

PARTICULAR OF PROPERTY AVAILABLE FOR SALE

Name/location	Existing use	Gross Floor Area	Group's interest	Stage of completion	Purposes
Xintianpu Rural Wellness Centre Fushi Street, Qujiang District, Quzhou City, Zhejiang Province, PRC	Condominium	5,202.8 sqm	100%	100%	Properties available for sale