

泉峰控股有限公司 Chervon Holdings Limited

(Incorporated in Hong Kong with limited liability)

(於香港註冊成立的有限公司)

Stock Code 股份代號 : 2285



Better Tools. Better World.

造好工具，助世界一臂之力！

CHERVON 泉峰®

2023

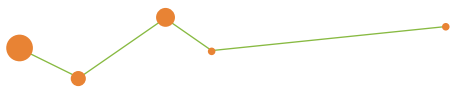
Annual Report
年度報告



BETTER TOOLS, BETTER WORLD.
造好工具 助世界一臂之力

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COMPANY INTRODUCTION

公司介紹

OVERVIEW

Chervon Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**,” “**we**,” “**us**” or “**our**”) is a global provider of power tools and outdoor power equipment (“**OPE**”). Our focus on innovation, especially lithium-ion battery system technology, has enabled us to achieve significant scale and rapid growth. We offer a comprehensive range of products under a portfolio of well-recognized brands, which are tailored to address the diverse needs of our end users around the world. Our power tools target both industrial/professional and consumer end users, and our OPE products target both premium and mass-market end users. We currently own five differentiated and well-recognized brands that cover key geographies and segments, namely *EGO*, *FLEX*, *SKIL*, *DEVON* and *X-TRON*.

We focus on user-centric innovation and product offerings, which is supported by our integrated system of research and development, manufacturing and sales and distribution capabilities. Our broad end-user base for lithium-ion battery powered products enables us to rapidly accumulate industry knowledge, technology know-how and end-user insights. Leveraging such knowledge and insights, we have been able to continuously introduce new products showcasing advanced technology and product design capabilities. We then produce these new, user-centric products in a consistently high-quality manner through our smart manufacturing system and distributing them through our multi-channel sales and distribution network. Our global operations and local market knowledge enable us to expand market shares and meet end user needs in our target markets. Our robust brand portfolio, which resonates with our end users, also helps solidify our market position.

OUR VISION

Better Tools. Better World.

OUR MISSION

Providing superior products to users worldwide through continuous innovation, we are determined to become a global leader in power tools and outdoor power equipment in the lithium-ion, intelligent and digital era.

概覽

泉峰控股有限公司（「**本公司**」，連同其附屬公司統稱「**本集團**」或「**我們**」）為一家電動工具及戶外動力設備（「**OPE**」）的全球供應商。我們對創新的高度專注（尤其是鋰電池系統技術領域的創新），已促使我們取得龐大的市場規模並助力我們實現高速增長。我們提供知名品牌組合下的全套產品，該等產品專為滿足全球終端用戶的多樣化需求而量身定制。我們的電動工具的目標客戶為工業級／專業級及消費級終端用戶，而我們的OPE產品的目標客戶為高端及大眾市場終端用戶。我們目前擁有*EGO*、*FLEX*、*SKIL*、*大有*及*小強*五個差異化且廣受認可的品牌，覆蓋主要地區及細分市場。

我們專注於以用戶為中心的創新及產品品類，研發、製造及銷售與分銷能力的一體化體系為此提供了支持。我們鋰電產品廣泛的終端用戶群幫助我們快速積累行業知識、技術知識及終端用戶洞察力。憑藉有關知識及洞察力，我們能夠持續推出展示先進技術及產品設計能力的新產品。隨後，我們通過我們的智能製造系統以始終如一的高質量生產該等以用戶為中心的新產品並通過我們的多渠道銷售及分銷網絡進行新產品的分銷。我們的全球運營及本地化市場營銷經驗幫助我們擴大市場份額並滿足目標市場的終端用戶需求。我們強大的品牌組合不僅能滿足終端用戶的需求，亦有助於鞏固我們的市場地位。

我們的願景

造好工具，助世界一臂之力。

我們的使命

我們立志通過持續創新，為全球用戶提供卓越的產品，成為電動工具及戶外動力設備行業鋰電化、智能化及數字化時代的創新驅動型領導者。



CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Pan Longquan (*Chairman, Chief Executive Officer*)
Ms. Zhang Tong
Mr. Ke Zuqian
Mr. Michael John Clancy

Independent Non-Executive Directors

Mr. Tian Ming
Dr. Li Minghui
Mr. Jiang Li

AUDIT COMMITTEE

Dr. Li Minghui (*Chairperson*)
Mr. Tian Ming
Mr. Jiang Li

REMUNERATION COMMITTEE

Mr. Tian Ming (*Chairperson*)
Ms. Zhang Tong
Dr. Li Minghui

NOMINATION COMMITTEE

Mr. Jiang Li (*Chairperson*)
Mr. Tian Ming
Mr. Pan Longquan

JOINT COMPANY SECRETARIES

Mr. Hu Yan
Ms. Mok Ming Wai (*FCG, HKFCG*)

AUTHORIZED REPRESENTATIVES

Ms. Zhang Tong
Mr. Hu Yan

董事會

執行董事

潘龍泉先生 (*董事長 · 行政總裁*)
張彤女士
柯祖謙先生
Michael John Clancy先生

獨立非執行董事

田明先生
李明輝博士
蔣立先生

審核委員會

李明輝博士 (*主席*)
田明先生
蔣立先生

薪酬委員會

田明先生 (*主席*)
張彤女士
李明輝博士

提名委員會

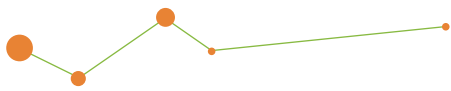
蔣立先生 (*主席*)
田明先生
潘龍泉先生

聯席公司秘書

胡以安先生
莫明慧女士 (*FCG · HKFCG*)

授權代表

張彤女士
胡以安先生



CORPORATE INFORMATION

公司資料

AUDITOR

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with
the Accounting and Financial Reporting Council Ordinance
8/F, Prince's Building
10 Chater Road
Central, Hong Kong

LEGAL ADVISOR

Simpson Thacher & Bartlett
35/F, ICBC Tower
3 Garden Road
Central
Hong Kong

REGISTERED OFFICE

Unit 04, 22/F, Saxon Tower
7 Cheung Shun Street
Lai Chi Kok
Kowloon
Hong Kong

HEADQUARTERS

No. 99 West Tianyuan Road
Jiangning Economic and Technological
Development Zone
Nanjing
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 04, 22/F, Saxon Tower
7 Cheung Shun Street
Lai Chi Kok
Kowloon
Hong Kong

SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

核數師

畢馬威會計師事務所
執業會計師
於《會計及財務匯報局條例》下的註冊
公眾利益實體核數師
香港中環
遮打道10號
太子大廈8樓

法律顧問

盛信律師事務所
香港
中環
花園道3號
中國工商銀行大廈35樓

註冊辦事處

香港
九龍
荔枝角
長順街7號
西頓中心22樓04室

總部

中國
南京市
江寧經濟技術
開發區
天元西路99號

香港主要營業地點

香港
九龍
荔枝角
長順街7號
西頓中心22樓04室

股份過戶登記處

卓佳證券登記有限公司
香港
夏慤道16號
遠東金融中心17樓

PRINCIPAL BANKS

The Hongkong and Shanghai Banking Corporation Limited
Bank of Communications – Nanjing Jiangning Branch

STOCK CODE

2285

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

COMPANY'S WEBSITE

<https://global.chervongroup.com>

LISTING DATE

December 30, 2021

主要往來銀行

香港上海滙豐銀行有限公司
交通銀行 – 南京江寧支行

股份代號

2285

上市地址

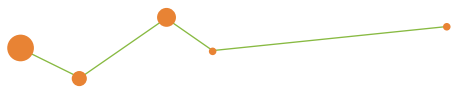
香港聯合交易所有限公司

公司網站

<https://global.chervongroup.com>

上市日期

2021年12月30日



FINANCIAL SUMMARY

財務概要

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below:

本集團於過去五個財政年度之業績以及資產及負債概要（摘錄自己刊發經審核的財務報表）載列如下：

RESULTS

業績

		Year ended December 31, 截至12月31日止年度				
		2019	2020	2021	2022	2023
		2019年	2020年	2021年	2022年	2023年
		(In US\$ thousands, except per share data) (千美元，每股數據除外)				
Revenue	收入	843,578	1,200,902	1,757,784	1,989,280	1,374,714
(Loss)/profit before tax	除稅前(虧損)/利潤	42,348	59,511	176,098	161,390	(48,856)
Income tax credit/(expense)	所得稅抵免/(開支)	(6,266)	(11,123)	(26,377)	(22,112)	11,706
(Loss)/profit for the year	年內(虧損)/利潤	36,082	48,388	149,721	139,278	(37,150)
Attributable to:	以下人士應佔：					
Equity shareholders of the Company	本公司權益股東	33,976	44,359	144,544	139,369	(37,137)
Non-controlling interest	非控股權益	2,106	4,029	5,177	(91)	(13)
Earnings per share	每股盈利					
– Basic (cents)	– 基本(分)	9	11	36	28	(7)
– Diluted (cents)	– 攤薄(分)	9	11	36	28	(7)

ASSETS, LIABILITIES AND EQUITY

資產、負債及權益

		As of December 31, 截至12月31日				
		2019	2020	2021	2022	2023
		2019年	2020年	2021年	2022年	2023年
		(In US\$ thousands) (千美元)				
Assets	資產					
Total assets	資產總值	867,177	1,091,467	2,056,156	1,862,504	1,796,385
Equity and liabilities	權益及負債					
Equity attributable to equity shareholders of the Company	本公司權益股東應佔權益	182,131	259,738	797,017	946,190	960,725
Non-controlling interests	非控股權益	18,707	24,286	–	(91)	(104)
Total equity	權益總額	200,838	284,024	797,017	946,099	960,621
Total liabilities	負債總額	666,339	807,443	1,259,139	916,405	835,764
Total equity and liabilities	權益及負債總額	867,177	1,091,467	2,056,156	1,862,504	1,796,385



CHAIRMAN'S STATEMENT

董事長致辭



Dear Shareholders,

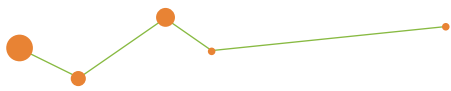
In 2023, we navigated through a challenging environment characterized by economic and market headwinds that affected our financial performance. After several successive years of significant growth and profitability, our revenue decreased by 30.9% and incurred a loss for the year. The decline in our financial performance was primarily attributable to more conservative inventory policies adopted by our key customers caused by macroeconomic uncertainties and unfavorable weather in key geographic regions.

For the reasons below, we consider 2023 to be a temporary deviation from a sustainable growth trajectory we have consistently maintained. In particular, with our favorable market positioning, strong brand performance across points-of-sale, robust manufacturing capability and extensive distribution network in place, coupled with the anticipated reversal of the destocking cycle and expected rebound in customer demand, we believe there will be a corresponding recovery and growth in our financial performance in 2024 and years to come.

各位股東：

2023年，經濟和市場逆風撲面而來，影響了我們的財務表現，我們逆風前行，成功應對各種挑戰。經過連續幾年的大幅增長和盈利之後，我們的收入減少了30.9%，年內出現虧損。我們的財務表現下降的主要原因是，宏觀經濟的不確定性及主要地區的不利天氣導致我們的主要客戶採取更為保守的庫存政策。

基於以下原因，我們認為2023年暫時偏離了我們一貫堅持的可持續增長軌道。具體而言，憑藉我們有利的市場定位、各銷售點的強勁品牌表現、強大的製造能力及廣泛的分銷網絡，加上去庫存週期的預期逆轉及客戶需求的預期反彈，我們相信於2024年及未來幾年，我們的財務表現將出現相應的復甦及增長。



CHAIRMAN'S STATEMENT

董事長致辭

First and foremost, we remain committed to our vision of “Better Tools. Better World” and determined to become a global leader in power tools and outdoor power equipment in the lithium-ion, intelligent and digital era. We believe the market transition to lithium-ion powered products will continue to accelerate. Staying true to our mission, we have focused on making great products for, and delivering them to, our customers and end-users worldwide. In 2023, we innovated by introducing close to 200 new products, and lithium-ion battery powered products accounted for approximately 82% of the new products.

In 2023, we also continued to strengthen our brand portfolio – *EGO*, *FLEX*, *SKIL* and *DEVON* – comprehensively covering both industrial/professional and consumer power tools, as well as premium and mass-market OPE around the globe. Notably, the sell-through of our branded products from distribution channels to end-users is steadily growing despite the subdued market demand overall, which attests to the popularity of our proprietary brands.

In addition, we continued to build upon our decades-long collaboration with a wide array of distribution partners, from leading home centers and mass-market retailers, to reputable distributors and local retailers, across our key markets. We are also expanding our partnerships with various leading e-commerce platforms to further extend our end-user reach. We believe our extensive touchpoints for end-users will bolster our position for future growth.

Furthermore, starting from 2023, we have accelerated our efforts to strengthen our global manufacturing capabilities. This included expanding production capacity at our Chervon Vietnam Plant, thereby augmenting our overseas factory footprint. We believe these initiatives will further support our ability to build a more flexible and resilient supply chain.

首先，我們將持續致力於實現「造好工具，助世界一臂之力」的願景，並立志成為電動工具及戶外動力設備行業鋰電化、智能化及數字化時代的全球領導者。我們相信，市場將繼續加速向鋰供電產品過渡。我們始終堅守自身使命，專注於為全球客戶及終端用戶製造優質產品，並實現交付。2023年，我們創新性地推出了近200種新產品，其中鋰離子供電產品約佔新產品的82%。

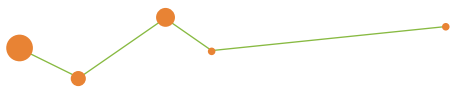
2023年，我們亦持續加強我們的品牌組合 – *EGO*、*FLEX*、*SKIL* 及大有 – 全面覆蓋全球工業級／專業級及消費級電動工具，以及高端及大眾市場OPE。值得注意的是，儘管市場需求整體低迷，但我們的品牌產品從分銷渠道到終端用戶的終端動銷卻實現穩步增長，展現了自有品牌的受歡迎程度較高。

此外，我們繼續加強與各主要市場的眾多分銷合作夥伴長達數十年之久的合作，既有領先的家居中心及大眾市場零售商，也有聲譽卓著的分銷商及當地零售商。此外，我們還努力擴大與眾多領先電子商務平臺的合作，以進一步擴大我們的終端用戶覆蓋面。我們認為，我們為終端用戶提供的廣泛接觸點將利於鞏固我們的地位，進一步實現未來增長。

同時，自2023年開始，我們加快了增強全球製造能力的步伐，包括擴大泉峰越南工廠的產能，從而擴大海外工廠版圖。我們認為，這些舉措將進一步增強我們建立更為靈活及更具韌性的供應鏈的能力。

Looking ahead to 2024, we will continue to navigate the challenges created by macroeconomic uncertainty, geopolitical tensions and trade disputes. While we acknowledge the risks and obstacles ahead, we will remain vigilant, stay focused on our core strengths and maintain a flexible approach in navigating the challenging and rapidly evolving business landscape. In particular, we will continuously invest in our product portfolio, sales and distribution network, brand recognition, production capacity and human capital development, among other areas. Furthermore, we have made significant progress in fulfilling our environmental, social, and governance (“ESG”) responsibilities in the past several years, and will continue to act as a responsible corporate citizen by innovating in green products, reducing carbon emissions, promoting energy conservation and implementing sound corporate governance practices. With our firm commitment to user-centric innovation, speed to market and sustainable development, we believe we are well positioned to outperform the market, capture growth opportunities across business segments and geographies and deliver value to our customers, end-users, employees, business partners, shareholders (the “Shareholders”) and other key stakeholders alike in the future.

展望2024年，我們將繼續全力應對宏觀經濟不確定性、地緣政治緊張局勢以及貿易爭端帶來的各項挑戰。我們清楚前路風險且佈滿荊棘，同時我們將保持警惕，專注於我們的核心優勢，保持方法的靈活性，以應對充滿挑戰和快速變化的商業環境。特別是，我們將繼續投資於產品組合、銷售及分銷網絡、品牌知名度、生產能力以及人力資本開發等方面。此外，在過去幾年中，我們在履行環境、社會及管治（「ESG」）責任方面取得了重大進展，並將通過創新環保產品、減少碳排放、促進節能並實施健全的企業管治常規，繼續踐行企業公民的責任。我們相信，我們堅定不移地致力於以用戶為中心的創新、加快產品上市速度並保持可持續發展，將使我們在未來超越市場，把握各業務分部及地區的增長機遇，為我們的客戶、終端用戶、員工、業務合作夥伴、股東（「股東」）及其他主要利益相關者創造價值。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析



BUSINESS OVERVIEW AND OUTLOOK

Business Overview

During the year ended December 31, 2023 (the “**Reporting Period**”), we navigated through a challenging environment characterized by economic and market headwinds. Our revenue decreased by 30.9% from US\$1,989.3 million in 2022 to US\$1,374.7 million in 2023, primarily due to more conservative inventory policies adopted by our key customers caused by macroeconomic uncertainties and unfavorable weather in key geographic regions.

Revenue from our outdoor power equipment (“**OPE**”) segment decreased by 33.7% from US\$1,223.5 million in 2022 to US\$811.4 million in 2023, while revenue from our power tools segment decreased by 27.3% from US\$754.9 million in 2022 to US\$548.5 million in 2023. Revenue from our Original Brand Manufacturing (“**OBM**”) business decreased by 27.2% from US\$1,381.8 million in 2022 to US\$1,006.3 million in 2023, and accounted for 73.2% of our total revenue in 2023 (2022: 69.5%).

業務概覽及展望

業務概覽

於2023年12月31日止年度（「**報告期**」），我們經歷了充滿挑戰的經濟和市場逆境。我們的收入由2022年的1,989.3百萬美元減少30.9%至2023年的1,374.7百萬美元，主要是由於宏觀經濟不確定性及主要地區的不利天氣，我們的主要客戶採取更為保守的庫存政策。

戶外動力設備（「**OPE**」）分部的收入由2022年的1,223.5百萬美元減少33.7%至2023年的811.4百萬美元，而電動工具分部的收入由2022年的754.9百萬美元減少27.3%至2023年的548.5百萬美元。我們的原始品牌製造（「**OBM**」）業務收益由2022年的1,381.8百萬美元減少27.2%至2023年的1,006.3百萬美元，佔2023年總收入的73.2%（2022年：69.5%）。



Our overall gross profit margin decreased from 30.4% in 2022 to 28.1% in 2023, primarily due to provision for inventory impairment. We recorded net loss of approximately US\$37.2 million in 2023, as compared to a net profit of US\$139.3 million in 2022.

Despite facing challenges, we believe we remain competitive in terms of market share. The sell-through of our branded products from distribution channels to end-users is steadily growing despite the subdued market demand overall, which attests to the popularity of our proprietary brands. We continue to focus on our customers, bringing to market new power tool and OPE products to meet their diverse needs. Leveraging our research and development capability, we continued to innovate by introducing close to 200 new products in 2023. Lithium-ion battery powered products accounted for approximately 82% of the new products.

我們的整體毛利率由2022年的30.4%減少至2023年的28.1%，主要由於存貨減值撥備。我們於2023年錄得虧損淨額約37.2百萬美元，而2022年的淨利潤為139.3百萬美元。

儘管面臨挑戰，我們相信我們在市場份額方面仍保持競爭力。儘管整體市場需求低迷，但我們的品牌產品從分銷渠道向終端用戶的銷售正穩步增長，這證明了我們自有品牌的受歡迎程度。我們仍然專注於客戶，向市場推出新電動工具及OPE產品，以滿足客戶的多樣化需求。憑藉我們的研發能力，我們不斷創新，於2023年推出近200款新產品。鋰電產品佔新產品約82%。



MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

EGO

During the Reporting Period, we continued to develop and promote our flagship *EGO*-branded products, including an emphasis on the development of the commercial series tools, which we view as a promising area for future growth. As of December 31, 2023, the number of our *EGO*-branded lithium-ion battery platforms sold globally increased to approximately 14 million. By leveraging our battery platform and user base, we have diversified into new lifestyle categories, such as high-pressure washers, wet/dry vacuums and mini bikes, which further broadens the scope of our *EGO* 56V ecosystem.

In 2023, we continued to invest in strengthening the multi-channel sales and distribution network for *EGO*, including accelerating the development of our dealer channels to better support our “go commercial” strategy. For example, we entered into a strategic partnership with Deere & Company (“**John Deere**”), pursuant to which *EGO*-branded lithium battery products will be available at John Deere dealers in the United States and Canada starting from the third quarter of 2023. The collaboration leverages the strengths of both parties and further expands the distribution of *EGO*'s lithium battery-operated OPE products. We believe the availability of *EGO*-branded products at John Deere's robust and extensive sales network provides easy access to our products for customers in North America. In Europe, *EGO* also expanded its sales and distribution network and achieved double-digit revenue growth, demonstrating its ability to continue penetrating new markets.

In 2023, we were awarded the Vendor of the Year by a leading hardware cooperative in North America in recognition of our *EGO* brand. We are particularly honored to become the first company to receive such award for the fourth year in a row, underscoring our commitment to excellence and customer service. *EGO* also celebrated significant achievements in the Canadian market by securing prominent placements across the stores of one of Canada's OPE market share leaders.

We have further enhanced our online sales channels by collaborating with e-commerce platforms. A notable accomplishment worth highlighting is *EGO*'s ascent to prominence as a leading DC OPE brand on a leading global e-commerce platform, achieving a significant milestone with double-digit growth in 2023. We expect *EGO*, the top rated brand in the cordless OPE category, to carry the momentum into 2024 and beyond.

EGO

於報告期內，我們繼續開發及推廣我們的旗艦*EGO*品牌產品，包括重視商業系列工具的開發，我們認為這是一個具備未來增長前景的領域。截至2023年12月31日，*EGO*品牌鋰電池平台的全球銷量增至約14百萬個。憑藉我們的電池平台及用戶群，我們已多元化發展至新的生活方式類別，例如高壓清洗機、濕／乾吸塵器及迷你自行車，進一步擴大了我們的*EGO* 56V生態系統的範圍。

於2023年，我們繼續投資加強*EGO*的多渠道銷售及分銷網絡，包括加快發展我們的經銷商渠道，以更好地支持我們的「商業化」戰略。例如，我們與Deere & Company（「**John Deere**」）達成戰略合作，據此，自2023年第三季度起，我們將向美國及加拿大的John Deere經銷商供應*EGO*品牌鋰電產品。此次合作充分利用了雙方的優勢，進一步擴大了*EGO*鋰電OPE產品的銷售範圍。我們相信，John Deere強大而廣泛的銷售網絡為北美客戶獲得*EGO*品牌產品提供了便利。在歐洲，*EGO*亦擴大其銷售及分銷網絡，實現雙位數的收入增長，顯示其繼續滲透新市場的能力。

於2023年，我們獲一家於北美領先的五金連鎖評為「年度最佳供應商」，以表彰我們的*EGO*品牌。非常榮幸能夠連續四年成為首家獲此殊榮的公司，這彰顯了我們對追求卓越和客戶服務的承諾。*EGO*亦在加拿大市場取得重大成就，在加拿大其中一家OPE市場份額領先企業所經營商店中佔據重要位置。

我們還通過與電子商務平台合作進一步加強我們的線上銷售渠道。值得注意的是，*EGO*在一家主流全球電子商務平台直流電OPE品牌中位列第一，於2023年實現雙位數增長這一重要里程碑。*EGO*，作為在無繩OPE品類中評級最高的品牌，預計將在2024年及以後繼續保持增長勢頭。

FLEX

FLEX continued to innovate by expanding its offering of next-generation power tool solutions tailored for professionals, introducing more than 40 new products globally, such as the *STACK PACK* that is designed for use on the jobsite, in the workshop, and during transit. We also expanded the scope of our 24V platform by introducing tools tailored for carpentry as well as mechanical, electrical and plumbing professionals, aimed at enhancing work efficiency.

SKIL

Following a challenging first half of 2023, our *SKIL* business rebounded and achieved growth in the second half of the year. We remain committed to innovation by introducing new products across our 4V, 12V, 20V and 40V platforms to better serve end-users across both power tool and OPE segments. *SKIL*'s Compact Brushless 3065 Cordless Drill, featuring the "PWRCORE 20" lithium battery platform, earned recognition with the 2023 Innovation Award as the "Voted Product of the Year." Our products have received prestigious recognition from internationally acclaimed awards. Notably, the *SKIL* 12V Compact Detail Sander was honored with the 2023 Red Dot Award, a highly esteemed international competition recognizing excellence in product design. Furthermore, a series of *SKIL* products – 2X20V Rear Handle Saw, 4V TWIST 2.0 Screwdriver, 12V/20V Compact Tower Light and 12V/20V Brushless 4-inch Clamp Fan – were recipients of the 2023 Power Tool Innovation Award, highlighting their innovative features and contributions to the industry.

DEVON

In 2023, *DEVON* achieved high double-digit growth despite challenging market conditions. *DEVON*'s product line featuring 20V lithium battery series continued its trajectory of innovation and rapid growth, surpassing 4 million 20V battery packs in the China market. *DEVON* prioritized new media marketing initiatives, resulting in its official TikTok account amassing over 1 million followers and achieving a total awareness of over 1 billion impressions.

FLEX

*FLEX*持續創新，為專業人員提供更多量身定制的下一代電動工具解決方案，在全球推出了40多種新產品，例如*STACK PACK*，專為工作現場、車間和運輸途中的使用而設計。我們亦擴大了24V平台的範圍，為木工以及機械、電氣和管道專業人員推出量身定制的工具，旨在提高工作效率。

SKIL

在經歷了充滿挑戰的2023年上半年後，*SKIL*業務於下半年反彈並實現增長。我們繼續致力於創新，在4V、12V、20V及40V平台推出新產品，以更好地服務電動工具及OPE分部的終端用戶。以「PWRCORE 20」鋰電平台為特色的*SKIL*小型無刷3065無繩電鑽贏得2023年創新獎之「年度親選產品獎」殊榮。我們的產品獲得了國際知名獎項的認可。值得注意的是，*SKIL* 12V小型細節打磨機榮獲2023年紅點獎，這是一項備受推崇的國際競賽，表彰在產品設計方面的卓越表現。此外，*SKIL*產品系列－2X20V後手柄鋸、4V旋開2.0螺絲刀、12V/20V小型塔燈和12V/20V無刷4英寸可夾式風扇，榮獲2023年電動工具創新獎，彰顯其創新特色及對行業的貢獻。

大有

於2023年，儘管市場環境充滿挑戰，大有仍實現了高雙位數增長。大有以20V鋰電系列為特色的產品線繼續創新，增長迅速，20V電池包在中國市場的銷量超4百萬個。大有優先開展新媒體營銷活動，其抖音官方賬號粉絲破一百萬，總曝光量超過10億次。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Management Transformation

During the Reporting Period, we continued to invest in promoting process-based and data-driven management transformation initiatives, including adopting advanced management tools and hiring top-level consulting services, to strengthen the strategic planning and execution capabilities of our organization. We believe that the improvement of such capabilities will help promote our operational efficiency and support our sustainable growth in the long term.

Manufacturing Capability

Starting from 2023, we have accelerated our efforts to strengthen our global manufacturing capabilities. This included expanding production capacity at our Chervon Vietnam Plant, thereby augmenting our overseas factory footprint. We believe these initiatives will further support our ability to build a more flexible and resilient supply chain.

Meanwhile, our *CHERVON* Green Power Industrial Park Phase II (泉峰新能源工業園二期), an industry-leading smart manufacturing plant, commenced operations during the Reporting Period, providing additional production capacity supported by advanced automation technologies. As a result, we are in the process of phasing out some of our leases of plants and properties. Meanwhile, in light of macroeconomic uncertainties, we adopted a prudent strategy and decided to adjust the development plan for our *CHERVON* Smart Production Industrial Park (泉峰智能製造產業園) to align with market trends and customer demands. See the section headed “—Use of Net Proceeds from Global Offering” for further details.

管理轉型

於報告期內，我們繼續投資於推動流程化及數據化的管理轉型，包括採用先進的管理工具和聘用頂級諮詢服務，以加強我們組織的戰略規劃及執行能力。我們認為，該等能力的提升將有助於提高我們的運營效率及支持我們長期的可持續增長。

製造能力

自2023年起，我們加快了增強全球製造能力的步伐，包括擴大泉峰越南工廠的產能，從而擴大海外工廠版圖。我們認為，這些舉措將進一步增強我們建立更為靈活及更具韌性的供應鏈的能力。

同時，我們的泉峰新能源工業園二期（行業領先的智能製造工廠）已於報告期內投產，其先進自動化技術為我們提供額外產能支持。因此，我們正在逐步停止租賃部分廠房及物業。同時，鑒於宏觀經濟的不確定性，我們採取審慎策略並調整泉峰智能製造產業園的發展計劃以配合市場趨勢及客戶需求。有關進一步詳情，請參閱「—全球發售所得款項淨額用途」一節。

Prospects

We believe our proprietary brands continue to outperform the industry in terms of end-user demand (sell-through), demonstrating resilience in both advantageous and challenging conditions. As the market and economic condition improves, we expect a corresponding recovery and growth in our financial performance in 2024 and years to come. Our confidence is grounded in several favorable factors, including the increased market penetration of lithium battery products, reversal of the destocking cycle and the expected rebound in customer demand. To drive sustainable long-term growth, we will continue to develop lithium battery new products, expand our multi-channel sales and distributions network, enhance brand recognition, optimize business structure, expand production capacities and improve operational efficiency, invest in human capital development, while continuing to implement management transformation initiatives. We will endeavor to outperform the market and deliver superior results for our Shareholders, employees and communities in a socially and environmentally responsible manner.

FINANCIAL REVIEW

Financial Results

Revenue

The Group's revenue decreased by 30.9% from US\$1,989.3 million in 2022 to US\$1,374.7 million in 2023, primarily due to more conservative inventory policies adopted by our key customers caused by macroeconomic uncertainties and unfavorable weather in key geographic regions.

Revenue by product category

Revenue from the sales of OPE products decreased by 33.7% from US\$1,223.5 million in 2022 to US\$811.4 million in 2023, primarily driven by industry destocking cycle, more conservative inventory policies adopted by our customers, as well as the negative impact of unfavorable weather in the spring of 2023 across North America on consumer demand for OPE tools.

Revenue from the sales of power tools decreased by 27.3% from US\$754.9 million in 2022 to US\$548.5 million in 2023, after several years of rapid growth, mainly due to unfavorable macroeconomic factors that in turn led to slowdown in housing demand and industry destocking cycle.

前景

我們相信，我們的自有品牌在終端用戶需求（終端動銷）方面繼續優於行業，在有利及充滿挑戰的環境中展現韌性。隨著市場及經濟狀況改善，我們預計2024年及未來幾年的財務表現將相應復甦及增長。若干有利因素增強了我們的信心，如鋰電產品的市場滲透率提高、去庫存週期逆轉及客戶需求預期反彈。為了推動可持續的長期增長，我們將繼續開發新的鋰電產品，擴大我們的多渠道銷售和分銷網絡，提高品牌知名度，優化業務結構，擴大生產能力，提高運營效率，並投資於人力資本開發，同時繼續實施管理轉型舉措。我們將努力超越市場，以對社會和環境負責的方式為我們的股東、員工和社區提供卓越業績。

財務回顧

財務業績

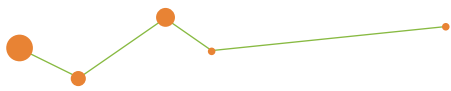
收入

本集團的收入由2022年的1,989.3百萬美元減少30.9%至2023年的1,374.7百萬美元，主要是由於宏觀經濟不確定性及主要地區的不利天氣，我們的主要客戶採取更為保守的庫存政策。

按產品類別劃分的收入

OPE產品的銷售收入由2022年的1,223.5百萬美元減少33.7%至2023年的811.4百萬美元，主要由於行業去庫存週期、客戶採取更保守的庫存政策，以及2023年春季北美各地不利天氣對消費者的OPE工具需求產生負面影響。

在經歷了幾年的快速增長後，電動工具的銷售收入由2022年的754.9百萬美元減少27.3%至2023年的548.5百萬美元，主要由於宏觀經濟因素不利導致住房需求放緩及行業去庫存週期。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Revenue by geographic location

Our revenue generated from North America decreased by 37.3% from US\$1,499.9 million in 2022 to US\$940.2 million in 2023. Our revenue from Europe decreased by 11.0% from US\$317.2 million in 2022 to US\$282.4 million in 2023. Our revenue from China increased by 1.1% from US\$99.5 million in 2022 to US\$100.6 million in 2023. Our revenue from rest of the world decreased by 29.0% from US\$72.6 million in 2022 to US\$51.5 million in 2023.

Gross Profit and Gross Profit Margin

Our gross profit decreased by 35.9% from US\$603.9 million in 2022 to US\$386.8 million in 2023. During the same years, our overall gross profit margin decreased from 30.4% to 28.1%, primarily due to provision for inventory impairment.

Other Revenue

Our other revenue, which primarily consisted of government grants, sale of scrap materials and rental income, amounted to US\$5.8 million in 2023, as compared to US\$7.0 million in 2022.

Other Net Loss

We had other net loss of US\$8.3 million in 2023, as compared to other net loss of US\$52.3 million in 2022. Our other net loss in 2023 was primarily attributable to net realized and unrealized loss on derivative financial instruments, partially offset by net foreign exchange gain.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 14.0% from US\$214.0 million in 2022 to US\$244.1 million in 2023, primarily due to increases in our marketing expenses and investments in expanding dealer channels, as well as warranty provisions.

Administrative and Other Operating Expenses

Our administrative and other operating expenses increased by 7.8% from US\$89.8 million in 2022 to US\$96.8 million in 2023, primarily due to the Company's continued investments in digital transformation.

按地理位置劃分的收入

我們來自北美的收入由2022年的1,499.9百萬美元減少37.3%至2023年的940.2百萬美元。我們來自歐洲的收入由2022年的317.2百萬美元減少11.0%至2023年的282.4百萬美元。我們來自中國的收入由2022年的99.5百萬美元增加1.1%至2023年的100.6百萬美元。我們來自世界其他地區的收入由2022年的72.6百萬美元減少29.0%至2023年的51.5百萬美元。

毛利及毛利率

我們的毛利由2022年的603.9百萬美元下降35.9%至2023年的386.8百萬美元。同年，我們的整體毛利率由30.4%下降至28.1%，主要由於存貨減值撥備。

其他收入

於2023年，我們的其他收入（主要包括政府補助、廢料銷售及租金收益）為5.8百萬美元，而2022年則為7.0百萬美元。

其他虧損淨額

2023年，我們的其他虧損淨額為8.3百萬美元，而2022年的其他虧損淨額為52.3百萬美元。我們於2023年的其他虧損淨額主要由於衍生金融工具的已變現及未變現虧損淨額，部分被外匯收益淨額抵銷。

銷售及分銷開支

我們的銷售及分銷開支由2022年的214.0百萬美元增加14.0%至2023年的244.1百萬美元，主要是由於我們的營銷開支及擴大經銷商渠道的投資增加以及保修撥備。

行政及其他經營開支

我們的行政及其他經營開支由2022年的89.8百萬美元增加7.8%至2023年的96.8百萬美元，主要由於本公司持續投資於數字化轉型。

Research and Development Costs

Our research and development costs increased by 7.5% from US\$65.7 million in 2022 to US\$70.7 million in 2023, primarily due to the Company's continued investments in research and product development, particularly in products with commercial applications, as well as an increase in the number of research and development personnel.

Net Finance Costs

Our net finance costs decreased by 85.2% from US\$22.3 million in 2022 to US\$3.3 million in 2023, primarily due to (1) an increase in interest for U.S. dollar-denominated deposits, (2) a decrease in interest for in Renminbi (“RMB”)-denominated bank borrowings and (3) a decrease in our use of customer supply chain financing to mitigate the impact of higher U.S. dollar-denominated interest rates.

Share of Loss of an Associate

We had a share of loss of an associate of US\$18.3 million in 2023, as compared to a share of loss of an associate of US\$5.5 million in 2022, which were primarily attributable to our 24.74% equity interest in Nanjing Chervon Auto Precision Technology Co., Ltd. (南京泉峰汽車精密技術股份有限公司) (“Chervon Auto Precision Technology”).

(Loss)/Profit Before Taxation

As a result of the foregoing, our loss before taxation in 2023 amounted to US\$48.9 million, as compared to a profit before taxation of US\$161.4 million in 2022.

Income Tax Expense

Our tax income was US\$11.7 million in 2023, as compared to a tax expense of US\$22.1 million in 2022. Given that we incurred a loss before taxation in 2023, effective tax rate was inapplicable in 2023 (2022: 13.7%). Our tax income in 2023 primarily resulted from (i) deferred taxes in connection with our warranty and inventory provisions, (ii) the status of Nanjing Chervon Industry Co., Ltd (南京泉峰科技有限公司) (“Nanjing Chervon Industry”) as a High and New Technology Enterprise (國家高新技術企業), which is entitled to an enterprise income tax rate of 15% and (iii) additional tax benefits afforded under favorable government policies that encourage research and development activities.

研發成本

我們的研發成本由2022年的65.7百萬美元增加7.5%至2023年的70.7百萬美元，主要由於本公司持續投資於研究及產品開發，尤其是商業化應用產品，以及研發人員數目增加所致。

財務成本淨額

我們的財務成本淨額由2022年的22.3百萬美元減少85.2%至2023年的3.3百萬美元，主要是由於(1)以美元計值的存款利息上升；(2)以人民幣(「人民幣」)計值的銀行借款利息下降；及(3)使用客戶供應鏈融資減少，以減輕美元計值利率上升的影響。

應佔一間聯營公司虧損

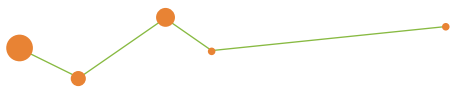
2023年，我們的應佔一間聯營公司虧損為18.3百萬美元，而2022年的應佔一間聯營公司虧損為5.5百萬美元，主要由於我們於南京泉峰汽車精密技術股份有限公司(「泉峰汽車精密技術」)24.74%的權益。

除稅前(虧損)/利潤

由於上述原因，我們2023年的除稅前虧損為48.9百萬美元，而2022年的除稅前利潤為161.4百萬美元。

所得稅開支

於2023年，我們的稅項收入為11.7百萬美元，而2022年的稅項開支為22.1百萬美元。鑒於我們於2023年產生除稅前虧損，2023年的實際稅率並不適用(2022年：13.7%)。我們於2023年的稅項收入主要由於(i)與我們的保修及存貨撥備有關的遞延稅項，(ii)南京泉峰科技有限公司(「南京泉峰科技」)為國家高新技術企業，可享受15%的企業所得稅稅率及(iii)政府鼓勵研發活動的優惠政策下提供的額外稅務優惠。



MANAGEMENT DISCUSSION AND ANALYSIS

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(Loss)/Profit For The Year

As a result of the foregoing, we recorded a loss for the year of US\$37.2 million in 2023, as compared to a profit for the year of US\$139.3 million in 2022. We had a net loss margin of 2.7% in 2023, as compared to a net profit margin of 7.0% in 2022.

Non-HKFRSs Measures: Adjusted Net Loss/Profit

To supplement our consolidated results which are prepared and presented in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), we utilize non-HKFRSs adjusted net loss/profit (“**Adjusted Net Loss/Profit**”) as an additional financial measure. We derive Adjusted Net Loss/Profit from profit for the year by excluding (i) net realized and unrealized losses on convertible bonds and (ii) income tax effects of non-HKFRSs adjustments.

Adjusted Net Loss/Profit is not required by, or presented in accordance with, HKFRSs. We believe that the presentation of non-HKFRSs measures when shown in conjunction with the corresponding HKFRSs measures provides useful information to investors and management regarding financial and business trends in relation to our financial condition and results of operations, by eliminating any potential impact of items that our management does not consider to be indicative of our operating performance such as the impact of certain investment transactions. We also believe that the non-HKFRSs measures are appropriate for evaluating the Group’s operating performance. However, the use of this particular non-HKFRSs measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for the analysis of, our results of operations or financial conditions as reported under HKFRSs. In addition, this non-HKFRSs financial measure may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures used by other companies.

年內(虧損)/利潤

由於上述原因，我們於2023年錄得年內虧損37.2百萬美元，而2022年的年內利潤為139.3百萬美元。我們於2023年的淨虧損率為2.7%，而2022年的純利率為7.0%。

非香港財務報告準則計量：經調整虧損淨額／純利

為補充我們根據香港財務報告準則（「**香港財務報告準則**」）編製及呈列的綜合業績，我們使用非香港財務報告準則經調整虧損淨額／純利（「**經調整虧損淨額／純利**」）作為額外財務計量。我們從年內利潤中扣除(i)可換股債券的已變現及未變現虧損淨額及(ii)非香港財務報告準則調整的所得稅影響得出經調整虧損淨額／純利。

經調整虧損淨額／純利並非香港財務報告準則所規定或根據香港財務報告準則呈列。我們相信，連同相應香港財務報告準則計量一併呈列非香港財務報告準則計量，可消除管理層認為不能反映我們經營表現的項目（如若干投資交易的影響）的任何潛在影響，為投資者及管理層提供有關我們財務狀況及經營業績的財務及業務趨勢的有用資料。我們亦認為，非香港財務報告準則計量適用於評估本集團的經營表現。然而，使用該特定非香港財務報告準則計量作為分析工具存在局限性，閣下不應視其為獨立於或可代替我們根據香港財務報告準則所呈報經營業績或財務狀況的分析。此外，該非香港財務報告準則財務計量的定義可能與其他公司所使用的類似詞彙有所不同，因此可能無法與其他公司所使用的類似計量進行比較。

The following table reconciles our Adjusted Net Loss/Profit for the years presented to the most directly comparable financial measure calculated and presented in accordance with HKFRSs, which is profit for the year:

下表載列所呈列年度的經調整虧損淨額／純利與根據香港財務報告準則計算及呈列的最直接可資比較財務計量（即年內利潤）的對賬：

		Year Ended December 31, 截至12月31日止年度	
		2023 2023年 US\$'000 千美元	2022 2022年 US\$'000 千美元
(Loss)/Profit for the period	期內（虧損）／利潤	(37,150)	139,278
Add:	加：		
Net realized and unrealized losses on convertible bonds ⁽¹⁾	可換股債券的已變現及未變現虧損淨額 ⁽¹⁾	630	15,280
Income tax effects of non-HKFRSs adjustments ⁽²⁾	非香港財務報告準則調整的所得稅影響 ⁽²⁾	(134)	(3,247)
Adjusted Net (Loss)/Profit	經調整（虧損）淨額／純利	(36,654)	151,311

Notes:

附註：

- (1) Represents the net realized and unrealized losses on our investment, net of income tax effects, in the convertible bond issued by Chervon Auto Precision Technology.
- (2) Represents income tax effects of non-HKFRSs adjustments.

- (1) 指我們於泉峰汽車精密技術發行的可轉債的投資之已變現及未變現虧損淨額（扣除所得稅影響）。
- (2) 指非香港財務報告準則調整的所得稅影響。

Liquidity and Financial Resources

Financial Position

The Group continued to maintain a strong financial position. As of December 31, 2023, the Group had US\$296.3 million in cash and cash equivalents (December 31, 2022: US\$466.7 million), including approximately HK\$339.7 million (equivalent to US\$43.6 million) in remaining net proceeds from our initial public offering. 60.0%, 30.4%, 3.9% and 5.7% of the cash and cash equivalents as of December 31, 2023 were denominated in RMB, US dollar, Euro and other currencies, respectively.

流動資金及財務資源

財務狀況

本集團繼續維持強勁的財務狀況。截至2023年12月31日，本集團擁有296.3百萬美元現金及現金等價物（2022年12月31日：466.7百萬美元），其中包括首次公開發售餘下所得款項淨額約339.7百萬港元（相當於43.6百萬美元）。截至2023年12月31日，現金及現金等價物的60.0%、30.4%、3.9%及5.7%分別以人民幣、美元、歐元及其他貨幣計值。



MANAGEMENT DISCUSSION AND ANALYSIS

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Funding and Treasury Policy

The Group's funding and finance policy aims to maintain stable financial position and mitigate financial risks. The Group regularly reviews its funding requirements to maintain adequate financial resources in order to support its current business operations as well as its future investments and expansion plans.

Borrowings and Gearing Ratio

As of December 31, 2023, the Group had bank loans of US\$323.6 million (December 31, 2022: US\$329.5 million), which were primarily denominated in RMB, and lease liabilities of US\$12.4 million (December 31, 2022: US\$22.0 million). As of the same date, fixed-rate and floating-rate loans account for 58% and 42%, respectively, of the Group's total bank loans.

As of December 31, 2023, short-term bank loans and current portion of long-term bank loans collectively accounted for 61.2% of the total bank loans (December 31, 2022: 58.5%).

The Group's gearing ratio (which equals total debt (including bank loans and lease liabilities) divided by total equity) decreased from 0.4 as of December 31, 2022 to 0.3 as of December 31, 2023.

Working Capital

Our inventories amounted to US\$531.0 million as of December 31, 2023 as compared to US\$600.0 million as of December 31, 2022. Our inventory turnover days increased to 209 days in 2023, as compared to 157 days in 2022, primarily due to a decrease in customer orders.

Our trade and bills receivables turnover days were at 77 days in 2023, as compared to 47 days in 2022, which is in line with the credit terms we granted to our customers. The increase primarily resulted from a decrease in our supply chain financing.

Our trade and bills payables turnover days were 96 days in 2023, as compared to 106 days in 2022, which is in line with the credit terms that we obtained from suppliers.

Capital Expenditures

Our capital expenditures in 2023 amounted to US\$77.1 million (2022: US\$81.2 million), primarily due to investments in our factory plants, manufacturing equipment and IT systems.

資金及庫務政策

本集團的資金及財務政策旨在維持穩健的財務狀況及減低財務風險。本集團定期檢討其資金需求以維持充足財務資源，以支持其現有業務營運以及其未來投資及擴展計劃。

借款及資本負債比率

截至2023年12月31日，本集團的銀行貸款為323.6百萬美元（2022年12月31日：329.5百萬美元），主要以人民幣計值，租賃負債為12.4百萬美元（2022年12月31日：22.0百萬美元）。截至同日，定息及浮息貸款分別佔本集團銀行貸款總額的58%及42%。

截至2023年12月31日，短期銀行貸款及長期銀行貸款的即期部分合共佔銀行貸款總額的61.2%（2022年12月31日：58.5%）。

本集團的資本負債比率（等於債務總額（包括銀行貸款及租賃負債）除以權益總額）由截至2022年12月31日的0.4降至截至2023年12月31日的0.3。

營運資金

截至2023年12月31日，我們的存貨為531.0百萬美元，而截至2022年12月31日則為600.0百萬美元。2023年，我們的存貨周轉天數增加至209天，而2022年則為157天，主要由於客戶訂單減少。

我們2023年的貿易應收款項及應收票據周轉天數為77天，而2022年為47天，這符合我們授予客戶的信貸期。此項增加主要由於供應鏈融資減少。

我們2023年的貿易應付款項及應付票據周轉天數為96天，而2022年為106天，這符合供應商給予的信貸期。

資本開支

我們2023年的資本開支為77.1百萬美元（2022年：81.2百萬美元），主要用於投資廠房、生產設備及IT系統。

Capital Commitments

As of December 31, 2023, our capital commitments (including those contracted for and authorized but not contracted for) for the construction of plant and buildings and acquisition of machinery and equipment amounted to US\$67.5 million (2022: US\$428.2 million) primarily for the expansion of our production capacity.

Pledge of Assets

During the Reporting Period, certain assets of the Group were pledged as security for bank loans, as further detailed below:

資本承擔

截至2023年12月31日，我們用於廠房及樓宇建設及購買機械及設備的資本承擔（包括已訂約及已授權而未訂約的資本承擔）為67.5百萬美元（2022年：428.2百萬美元），主要用於擴大產能。

資產抵押

於報告期內，本集團部分資產已抵押為銀行貸款的擔保，進一步詳情如下：

		As of December 31, 截至12月31日	
		2023 2023年 US\$'000 千美元	2022 2022年 US\$'000 千美元
Plant and buildings	廠房及樓宇	31,740	48,145
Leasehold land	租賃土地	21,852	22,779
Intangible assets	無形資產	—	1,162
Inventories	存貨	16,565	177,596
Trade and bills receivables	貿易應收款項及應收票據	1,538	78,862
Pledged deposits	已抵押存款	14,511	31,340
Other assets	其他資產	—	7,923
Total	總計	86,206	367,807

As of December 31, 2023, the Group had pledged deposits of US\$18.2 million (December 31, 2022: US\$36.5 million), which will be released upon the settlement of letters of credit and bills payable and by the Group or the expiry of relevant banking facilities.

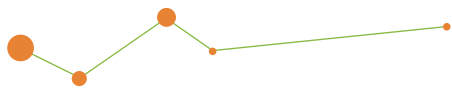
截至2023年12月31日，本集團的已抵押存款為18.2百萬美元（2022年12月31日：36.5百萬美元），該款項將在結算信用證及應付票據後由本集團或相關銀行融資到期時發放。

Contingent Liabilities

During the Reporting Period, the Group issued guarantees to financial institutions in the People's Republic of China ("PRC") for certain indebtedness of our independent third-party customers, who are typically qualified distributors of ours in the PRC. As of December 31, 2023, the maximum guarantee amount was US\$21.9 million (December 31, 2022: US\$7.9 million) and the guarantee issued was US\$8.5 million (December 31, 2022: US\$1.3 million).

或有負債

於報告期內，本集團就我們獨立第三方客戶的若干債務向中華人民共和國（「中國」）的金融機構提供了擔保，該等客戶通常是本公司在中國的合資格分銷商。截至2023年12月31日，最高擔保金額為21.9百萬美元（2022年12月31日：7.9百萬美元），已出具擔保為8.5百萬美元（2022年12月31日：1.3百萬美元）。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Significant Investments Held

Details of the Group's significant investments with a carrying amount of 5% or more of the Company's total assets as of December 31, 2023 are set forth in the table below.

持有重大投資

下表載列本集團截至2023年12月31日的賬面值佔本公司總資產5%或以上的重大投資詳情。

Investment	Investment	Investment cost as of December 31, 2023	Carrying amount as of December 31, 2023	Carrying amount as percentage of total assets as of December 31, 2023	Fair value as of December 31, 2023	Fair value as percentage of total assets as of December 31, 2023	Performance	Total amount of dividends received for the year ended December 31, 2023
							(share of loss/ net unrealized loss) for the year ended December 31, 2023	
	投資	截至2023年12月31日之投資成本 US\$'000 千美元	截至2023年12月31日之賬面值 US\$'000 千美元	截至2023年12月31日之賬面值佔總資產百分比 %	截至2023年12月31日之公允價值 US\$'000 千美元	截至2023年12月31日之公允價值佔總資產百分比 %	截至2023年12月31日止年度表現(應佔虧損/未變現虧損淨額) US\$'000 千美元	截至2023年12月31日止年度獲得的股息總額 US\$'000 千美元
Equity interest in Chervon Auto Precision Technology	於泉峰汽車精密技術之股權	80,396	86,921	4.8%	131,586	7.3%	(18,341)	-

As of December 31, 2023, the Company, through Chervon (China) Investment Co., Ltd. (泉峰(中國)投資有限公司) ("Chervon (China) Investment"), holds 64,671,068 shares, representing approximately 24.74% equity interest, of Chervon Auto Precision Technology. Chervon Auto Precision Technology is principally engaged in the production, sales and research and development of automotive power systems and relevant components. Chervon Auto Precision Technology was established in the PRC with limited liability on March 19, 2012 and its shares are listed on the Shanghai Stock Exchange (stock code: 603982.SH).

截至2023年12月31日，本公司通過泉峰(中國)投資有限公司(「泉峰(中國)投資」)持有泉峰汽車精密技術64,671,068股股份，約佔24.74%股權。泉峰汽車精密技術主要從事汽車動力系統及相關零部件的生產、銷售及研發。泉峰汽車精密技術於2012年3月19日在中國成立為有限公司，且其股份於上海證券交易所上市(股票代碼：603982.SH)。

As of December 31, 2023, the investment cost in connection with our equity interest in Chervon Auto Precision Technology amounted to US\$80.4 million (December 31, 2022: US\$81.8 million). As of the same date, the fair value of such equity interest amounted to US\$131.6 million (December 31, 2022: US\$188.3 million), which accounted for 7.3% of our total assets as of December 31, 2023 (December 31, 2022: 10.1%). During the Reporting Period, we had a share of losses of an associate of US\$18.3 million, as compared to a share of loss of an associate of US\$5.5 million in 2022, in connection with our equity interest in Chervon Auto Precision Technology. During the same period, we did not receive any dividends from Chervon Auto Precision Technology in connection with our equity interest (December 31, 2022: US\$0.5 million).

In 2023, we disposed of our interest in the convertible bonds issued by Chervon Auto Precision Technology and received proceeds of US\$19.3 million. During the Reporting Period, we incurred net unrealized losses on convertible bonds of US\$0.6 million, compared to net unrealized losses on convertible bonds of US\$15.3 million in 2022. During the Reporting Period, we did not receive any dividends from Chervon Auto Precision Technology in connection with such convertible bonds we held (December 31, 2022: nil).

We will continue to monitor our investments in Chervon Auto Precision Technology and explore opportunities to monetize such investments if appropriate market opportunities arise.

Except as disclosed above, during the Reporting Period, the Group did not hold any significant investments (including any investment in an investee company with a carrying amount of 5% or more of the Company's total assets as of December 31, 2023).

Material Acquisitions and Disposals of Subsidiaries and Associates

Except as disclosed in the section headed “—Significant Investments Held” in this report, during the Reporting Period, the Group did not have material acquisitions or disposals of subsidiaries or associates.

截至2023年12月31日，與本公司在泉峰汽車精密技術的股權相關的投資成本為80.4百萬美元（2022年12月31日：81.8百萬美元）。截至同日，該股權的公允價值為131.6百萬美元（2022年12月31日：188.3百萬美元），佔我們截至2023年12月31日總資產的7.3%（2022年12月31日：10.1%）。於報告期內，與2022年本公司在泉峰汽車精密技術的股權相關的應佔一間聯營公司虧損為5.5百萬美元相比，本公司應佔一間聯營公司虧損為18.3百萬美元。同期，我們並無從泉峰汽車精密技術獲得任何與我們的股權相關的股息（2022年12月31日：0.5百萬美元）。

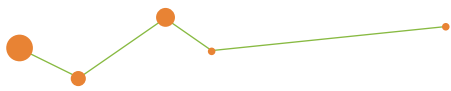
於2023年，我們出售我們於泉峰汽車精密技術發行的可換股債券的權益，並收取所得款項19.3百萬美元。於報告期內，我們錄得可換股債券未變現虧損淨額0.6百萬美元，而2022年錄得可換股債券未變現虧損淨額15.3百萬美元。於報告期內，我們並無從泉峰汽車精密技術獲得任何與我們持有的該可轉債相關的股息（2022年12月31日：零）。

我們將繼續監控我們對泉峰汽車精密技術的投資，並在出現適當的市場機會時探索將該等投資變現的機會。

除上文所披露者外，於報告期間，本集團並無持有任何重大投資（包括對截至2023年12月31日賬面值佔本公司總資產5%或以上的被投資公司的任何投資）。

重大收購以及出售附屬公司及聯營公司

除本報告「—持有重大投資」一節所披露外，於報告期內，本集團並無重大收購或出售附屬公司或聯營公司。



MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論與分析

Future Plans for Major Investments and Capital Assets

During the Reporting Period, save for the expansion plans as disclosed in the section headed “—Use of Net Proceeds from our Global Offering” in this report, the Group has no specific plans for major investment or acquisition for major capital assets or other businesses.

Exposure to Fluctuations in Foreign Exchange Rates

The Group manufactures and sells its products in many countries throughout the world. As a result, there is exposure to foreign currency risk as the Group enters into transactions and make investments denominated in multiple currencies. For example, changes in currency exchange rates may affect the relative prices at which the Group and its competitors sell products in the same market and the costs of products and services the Group requires for its operations. The Group's predominant exposures are in US dollar, Euro and RMB. The Group is subject to risks arising from the translation of balance sheets and income statements of its subsidiaries to US dollars as well as the risk arising from the export of products and sales outside the country of manufacturing.

The Group enters into foreign exchange forward contracts with financial institutions to mitigate its exposures to fluctuations in foreign exchange rates. Fluctuations in the foreign exchange rates may lead to losses resulting from the Group's exposure to foreign exchange forward contracts or similar arrangements. Our net foreign exchange gain in 2023 amounted to US\$4.9 million, as compared to a net foreign exchange loss of US\$15.5 million in 2022. Our net realized and unrealized loss on derivative financial instruments (which primarily include foreign exchange forward contracts) in 2023 was US\$12.2 million (2022: US\$23.3 million).

Investment Risk Management

Our investment strategy is grounded in the principles of compliance, prudence, safety and effectiveness. Each investment decision is made based on internal vetting and discussions, considering factors such as market dynamics, expected returns and risks involved. We believe that our internal strategy and policies regarding investments and the related risk management mechanisms are adequate, and that our investment decisions have been in full compliance with our investment strategy and policies.

重大投資及資本資產的未來計劃

於報告期內，除本報告「—全球發售所得款項淨額用途」一節所披露的擴張計劃外，本集團並無重大投資或收購重大資本資產或其他業務的具體計劃。

外匯匯率波動風險

本集團於全球多個國家製造及銷售其產品。因此，由於本集團進行的交易與投資是以多種貨幣計值，故面臨外幣風險。例如，貨幣匯率變動可能影響本集團及其競爭對手於同一市場銷售產品的相對價格及本集團營運所需的產品及服務成本。本集團的主要風險敞口為美元、歐元及人民幣。本集團面臨著將其附屬公司的資產負債表及收益表換算為美元所產生的風險，以及出口產品及於製造國家以外的銷售所產生的風險。

本集團與金融機構訂立外匯遠期合約，以減輕其外匯匯率波動的風險。外匯匯率波動可能導致本集團承受外匯遠期合約或類似安排的風險而產生虧損。於2023年，我們的匯兌收益淨額為4.9百萬美元，而2022年的外匯虧損淨額為15.5百萬美元。於2023年，我們的衍生金融工具的已變現及未變現虧損淨額（主要包括外匯遠期合約）為12.2百萬美元（2022年：23.3百萬美元）。

投資風險管理

我們的投資策略建基於合規、審慎、安全及有效的原則。各項投資決策均根據內部審查及討論作出，並考慮市場動態、預期回報及所涉風險等因素。我們相信，我們有關投資的內部策略及政策以及相關風險管理機制乃屬充分，且我們的投資決策已完全遵守我們的投資策略及政策。

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended December 31, 2023, the Group's largest customer and five largest customers accounted for approximately 34.5% and 59.3% (2022: 49.8% and 70.5%) respectively of the Group's total revenue; and the Group's largest supplier and five largest suppliers accounted for approximately 21.7% and 33.8% respectively of the Group's total purchases (2022: 10.8% and 27.9%).

As far as the Directors are aware, none of the Directors, their associates or any Shareholders who owned more than 5% of the Company's share capital had any interest in the five largest customers or suppliers of the Group.

HUMAN RESOURCES

The number of employees of the Group was 6,173 as of December 31, 2023 (December 31, 2022: 6,990). The total staff costs for the Reporting Period amounted to US\$209.0 million as compared to US\$214.4 million in 2022. We did not incur equity settled share-based expenses during the Reporting Period.

The Group is committed to hiring, retaining and promoting top talents across its global teams. As part of its retention strategy, the Group offers competitive remuneration packages to its employees, including salary and allowances, performance-based bonuses and long-term incentive programs. The Group also provides regular and specialized training tailored to the needs of its employees in different departments.

As of December 31, 2023, the male-to-female ratio of the Group's employees is approximately 1.56 to 1. The ratio is primarily driven by the nature of our business as we employ a higher portion of male engineers and front-line workers. While we consider such ratio to be in line with industry norms, we are firmly committed to offering equal employment opportunities to all qualified candidates based on merits and will seek to achieve relative balance between male and female employees going forward.

重要客戶及供應商

截至2023年12月31日止年度，本集團的最大客戶及五大客戶分別約佔本集團總收入的34.5%及59.3%（2022年：49.8%及70.5%）；而本集團的最大供應商及五大供應商分別約佔本集團總採購額的21.7%及33.8%（2022年：10.8%及27.9%）。

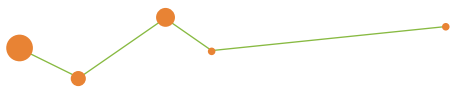
就董事所知，概無董事、彼等之聯繫人或擁有本公司股本5%以上之任何股東於本集團的五大客戶或供應商中擁有任何權益。

人力資源

截至2023年12月31日，本集團僱員數目為6,173人（2022年12月31日：6,990人）。與2022年的214.4百萬美元相比，報告期內的僱員成本總額為209.0百萬美元。於報告期間，我們並無產生以權益結算以股份為基礎的開支。

本集團致力聘用、挽留及提升其全球團隊的頂尖人才。作為其挽留人才策略的一部分，本集團向其僱員提供具競爭力的薪酬待遇，包括薪金及津貼、績效花紅及長期激勵計劃。本集團亦根據不同部門僱員的需要提供定期及專門的培訓。

截至2023年12月31日，本集團僱員的男女比例約為1.56比1。這一比例主要是由我們業務的性質決定的，因為我們僱傭了更高比例的男性工程師及一線工人。雖然我們認為這一比例符合行業規範，但我們堅定地致力於根據用人以才的標準為所有合格的候選人提供平等的就業機會，並將尋求在未來實現男女員工之間的相對平衡。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷詳情

DIRECTORS

Executive Directors

Mr. Pan Longquan (潘龍泉) (“Mr. Pan”), aged 60, is our principal founder, executive Director, Chairman and Chief Executive Officer. Mr. Pan is primarily responsible for supervising overall operations, management, strategic planning and business development of our Group.

Mr. Pan has over 30 years of experience in the power tool and OPE industry and 29 years of management experience in our Group. Mr. Pan founded our principal operating subsidiary, Nanjing Chervon Industry and has served as its chairman since September 1997. On June 22, 1999, Mr. Pan was appointed as our executive Director, Chairman and Chief Executive Officer. Mr. Pan currently serves as a director in a number of our subsidiaries and as the general manager of Chervon (China) Investment. He is also a director of Chervon Global Holdings Limited (“**Chervon Global**”) and its various subsidiaries, which are principally engaged in the production of key automobile and mechanical components and investment management. Mr. Pan serves as the chairman of Chervon Auto Precision Technology, a company listed on the Shanghai Stock Exchange (stock code: 603982.SH) since October 2012. Prior to founding the predecessor company of our Group, Nanjing Chervon International Trading Co., Ltd.* (南京泉峰國際貿易有限公司) (“**Chervon International Trading**”) in 1994, Mr. Pan served as a salesperson in Nanjing Machinery, Minerals, Metals & Medicine Import and Export Company* (南京機械五金礦產醫藥保健品進出口公司), a company engaged in machinery import and export trading, from July 1988 to June 1993.

Mr. Pan received his bachelor’s degree and his master’s degree in earth sciences from Nanjing University (南京大學) in the PRC, in July 1985 and July 1988, respectively.

董事

執行董事

潘龍泉先生(「潘先生」)，60歲，為我們的主要創辦人、執行董事、董事長兼行政總裁。潘先生主要負責監督本集團的整體運營、管理、戰略規劃及業務開發。

潘先生擁有逾30年的電動工具及OPE行業經驗，管理本集團達29年。潘先生創立了我們的主要運營附屬公司南京泉峰科技並自1997年9月起擔任其董事長。於1999年6月22日，潘先生被委任為執行董事、董事長兼行政總裁。潘先生目前擔任我們多家附屬公司的董事及泉峰(中國)投資的總經理。其亦為Chervon Global Holdings Limited(「**Chervon Global**」)及其多家附屬公司的董事，該等公司主要從事關鍵汽車及機械零部件的生產以及投資管理。潘先生自2012年10月起擔任泉峰汽車精密技術(在上海證券交易所上市的公司，證券代碼：603982.SH)的董事長。於1994年創辦本集團的前身公司南京泉峰國際貿易有限公司(「**泉峰國際貿易**」)前，潘先生於1988年7月至1993年6月擔任南京機械五金礦產醫藥保健品進出口公司(一家從事機械進出口貿易的公司)的銷售員。

潘先生分別於1985年7月及1988年7月獲得中國南京大學地球科學學士學位及碩士學位。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷詳情

Ms. Zhang Tong (張彤) (“**Ms. Zhang**”), aged 52, is our co-founder, executive Director and executive vice president for the North America sales & marketing. Ms. Zhang is primarily responsible for supervising overall operations, management, strategic planning and sales and marketing development of our Group in North America.

Ms. Zhang has over 20 years of experience in the power tool and OPE products industry and management experience in our Group. Ms. Zhang co-founded our principal operating subsidiary, Nanjing Chervon Industry, and has served as its director since September 1997. On June 22, 1999, Ms. Zhang was appointed as our executive Director and executive vice president for the North America sales and marketing. Ms. Zhang currently serves as a director in a number of our subsidiaries. She is also a director of Chervon Global and its various subsidiaries, which are principally engaged in the production of key automobile and mechanical components and investment management. Ms. Zhang serves as a director of Chervon Auto Precision Technology, a company listed on the Shanghai Stock Exchange (stock code: 603982.SH), since October 2016.

Ms. Zhang studied foreign trade English from Hohai University (河海大學) in the PRC and graduated in July 1991. Ms. Zhang received her master's degree in business management from China Europe International Business School (中歐商學院) in the PRC in May 2012.

張彤女士(「張女士」)，52歲，為我們的共同創辦人、執行董事兼北美銷售及營銷部執行副總裁。張女士主要負責監督本集團在北美的整體運營、管理、戰略規劃以及銷售及營銷開發。

張女士擁有逾20年的電動工具及OPE產品行業經驗，並擁有管理本集團的經驗。張女士共同創辦了我們的主要運營附屬公司南京泉峰科技，並自1997年9月起擔任其董事。於1999年6月22日，張女士被委任為我們的執行董事兼北美銷售及營銷執行副總裁。張女士目前擔任我們多家附屬公司的董事。其亦為Chervon Global及其多家附屬公司的董事，該等公司主要從事關鍵汽車及機械零部件的生產以及投資管理。張女士自2016年10月起擔任泉峰汽車精密技術(在上海證券交易所上市的公司，證券代碼：603982.SH)的董事。

張女士於中國河海大學學習外貿英語，並於1991年7月畢業。張女士於2012年5月取得中國中歐商學院工商管理碩士學位。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷詳情

Mr. Ke Zuqian (柯祖謙) (“Mr. Ke”), aged 63, is our co-founder, executive Director and executive vice president for manufacturing and supply chain. Mr. Ke is primarily responsible for supervising manufacturing and production processes and management of our Group.

Mr. Ke has over 20 years of experience in the power tool and OPE products industry and management experience in our Group. Mr. Ke joined Chervon International Trading in January 1996 as a technical director, and has served as a director and a vice general manager of Nanjing Chervon Industry since September 1997. On June 22, 1999, Mr. Ke was appointed as our executive Director and executive vice president for manufacturing. Mr. Ke currently serves as a director in a number of our subsidiaries and as the general manager of Nanjing Chervon Industry. He is also a director of Chervon Global and its various subsidiaries, which are principally engaged in the production of key automobile and mechanical components and investment management. Mr. Ke serves as a director of Chervon Auto Precision Technology, a company listed on the Shanghai Stock Exchange (stock code: 603982.SH), since October 2016. Prior to joining our Group, Mr. Ke was a lecturer in Tongji University (同濟大學) from July 1984 to June 1992, a technical manager in TÜV Rheinland (TUV 德國萊茵公司), a technical services provider, from July 1992 to May 1994 and a technical manager in TÜV SUD (TUV 添福產品服務公司), a testing and certification provider, from June 1994 to December 1995.

Mr. Ke received his bachelor’s degree and his master’s degree in industrial automation from Tongji University (同濟大學) in the PRC in July 1984 and April 1990, respectively.

柯祖謙先生(「柯先生」)，63歲，為我們的聯合創辦人、執行董事兼製造及供應鏈執行副總裁。柯先生主要負責監督本集團的製造及生產流程以及管理。

柯先生擁有逾20年的電動工具及OPE產品行業經驗，並擁有管理本集團的經驗。柯先生於1996年1月加入泉峰國際貿易，擔任技術總監，並自1997年9月起擔任南京泉峰科技的董事兼副總經理。於1999年6月22日，柯先生被委任為我們的執行董事兼製造執行副總裁。柯先生目前擔任我們多家附屬公司的董事及南京泉峰科技的總經理。其亦為Chervon Global及其多家附屬公司的董事，該等公司主要從事關鍵汽車及機械零部件的生產以及投資管理。柯先生自2016年10月起擔任泉峰汽車精密技術(在上海證券交易所上市的公司，證券代碼：603982.SH)的董事。加入本集團前，柯先生於1984年7月至1992年6月擔任同濟大學講師，於1992年7月至1994年5月擔任技術服務供應商TUV德國萊茵公司的技術經理，並於1994年6月至1995年12月擔任測試及認證供應商TUV添福產品服務公司的技術經理。

柯先生分別於1984年7月及1990年4月獲得中國同濟大學工業自動化學士學位及碩士學位。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷詳情

Mr. Michael John Clancy (“**Mr. Clancy**”), aged 68, is our executive Director and senior vice president for the North America sales and marketing. Mr. Clancy is primarily responsible for supervising overall operations, management, strategic planning and sales and marketing development of our Group in North America.

Mr. Clancy has extensive experience in the power tool industry and has accumulated over 30 years of experience in corporate management.

Mr. Clancy joined our Group in September 2018 and has since served as the chief executive officer of Chervon NA. Mr. Clancy was appointed as our executive Director on August 4, 2021. Prior to joining our Group, Mr. Clancy served as the vice president for the national accounts unit of Skil Corporation from 1978 to 1992, a power tool and accessory supplier which was later acquired by our Group, the vice president of the consumer business group of Rust-Oleum Corporation, a paint supplier, from 1992 to 1995 the president of RotoZip Tool Corp, a power tool and accessory supplier, from 1995 to 2000 and the senior vice president of the North American Sales organization and the project management of Robert Bosch Tool Corporation, a power tool and accessory supplier, from 2010 to 2016 and from 2016 to 2017, respectively.

Mr. Clancy received his bachelor’s degree in business from Western Illinois University in the U.S. in May 1977 and his master’s degree in business administration from Depaul University in the U.S. in February 1983. Mr. Clancy has been one of the board members of the Outdoor Power Equipment Institute since March 2021.

Michael John Clancy先生(「**Clancy**先生」)，68歲，為我們的執行董事兼北美銷售及營銷高級副總裁。Clancy先生主要負責監督本集團在北美的整體運營、管理、戰略規劃以及銷售及營銷開發。

Clancy先生擁有豐富的電動工具行業經驗，並累積了逾30年的企業管理經驗。

Clancy先生於2018年9月加入本集團，自此擔任Chervon NA的行政總裁。Clancy先生於2021年8月4日獲委任為執行董事。於加入本集團前，Clancy先生曾於1978年至1992年、1992年至1995年、1995年至2000年、2010年至2016年及2016年至2017年分別擔任Skil Corporation（一家電動工具及配件供應商，其後被本集團收購）全國大客戶部的副總裁、塗料供應商Rust-Oleum Corporation的消費業務組副總裁及RotoZip Tool Corp（一家電動工具及配件供應商）的總裁及Robert Bosch Tool Corporation（一家電動工具及配件供應商）的北美銷售組織與項目管理高級副總裁。

Clancy先生於1977年5月獲得美國西伊利諾大學(Western Illinois University)商業學士學位，並於1983年2月獲得美國德保羅大學(Depaul University)工商管理碩士學位。Clancy先生自2021年3月起為戶外動力設備協會的理事會成員之一。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷詳情

Independent Non-Executive Directors

Mr. Tian Ming (田明), aged 63, has been appointed as our independent non-executive Director with effect from December 8, 2021. Mr. Tian is primarily responsible for supervising and providing independent judgment to our Board.

Mr. Tian has 20 years of extensive experience in the fields of competitive strategy, operation management and property investment and development. Mr. Tian worked at the Nanjing People's Government (南京市人民政府) from July 1991 to October 2001, with his last position being the deputy department head. He was also the executive secretary of Nanjing Changjiang Waterway Bureau (南京市長江航道管理局) from December 1979 to April 1991. In December 2001, Mr. Tian founded Landsea Group Co., Ltd. (朗詩集團股份有限公司), a company principally engaged in property development, and has since served as its director and chief executive officer. He has been the chairman of the board of Shanghai Landleaf Architecture Technology Co., Ltd.* (上海朗綠建築科技有限公司) since July 2013, a company principally engaged in providing green construction technologies related services and the shares of which were listed on the National Equities Exchange and Quotations Co., Ltd. (stock code: 870998.NEEQ) from February 2017 to March 2020.

Mr. Tian has served as the chairman and an executive director in Landsea Green Properties Co., Ltd. (朗詩綠色地產有限公司) (stock code: 106.HK) since July 2013 and Landsea Homes Corporation, a company listed on the NASDAQ Stock Market (symbols: "LSEA", "LSEAW") since January 2021. He was appointed as a director of Landsea Green Life Service Company Limited (朗詩綠色生活服務有限公司) (stock code: 1965.HK) in December 2020, and subsequently, its chairman of the board and a non-executive director in January 2021 and has served since then.

Mr. Tian served on various industry associations, such as the vice president of China Real Estate Chamber of Commerce (全聯房地產商會) from October 2016 to October 2021, the president of the CEIBS Alumni Association from April 2017 to April 2020, and the rotating chairman of China Urban Realty Association (中城聯盟) from April 2018 to April 2020.

獨立非執行董事

田明先生，63歲，獲委任為獨立非執行董事，自2021年12月8日起生效。田先生主要負責監督董事會並向其提供獨立判斷。

田先生在競爭策略、運營管理及物業投資與開發方面擁有20年的豐富經驗。田先生於1991年7月至2001年10月任職於南京市人民政府，最後職位為副處長。其亦於1979年12月至1991年4月擔任南京市長江航道管理局的行政秘書。於2001年12月，田先生創立朗詩集團股份有限公司（一家主要從物業開發的公司），並自此擔任該公司董事兼行政總裁。其自2013年7月起擔任上海朗綠建築科技有限公司董事長，該公司主要提供綠色建築技術相關服務，其股份自2017年2月至2020年3月於全國中小企業股份轉讓系統有限責任公司上市（證券代碼：870998.NEEQ）。

田先生分別自2013年7月起及自2021年1月起擔任朗詩綠色地產有限公司（股份代號：106.HK）及Landsea Homes Corporation（一家於納斯達克股票市場上市的公司，股份代號：「LSEA」、「LSEAW」）的董事長兼執行董事。田先生於2020年12月獲委任為朗詩綠色生活服務有限公司（股份代號：1965.HK）的董事，其後，於2021年1月獲委任為其董事長兼非執行董事並任職至今。

田先生曾於多個行業協會任職，例如於2016年10月至2021年10月擔任全聯房地產商會副會長，於2017年4月至2020年4月擔任中歐國際工商學校校友總會會長以及於2018年4月至2020年4月擔任中城聯盟輪值主席。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷詳情

Mr. Tian received a diploma in engine management from Nanjing Heyun School* (南京河運學校) (currently known as Nanjing Maritime School* (南京航運學校)) in the PRC in December 1979 and a diploma in Chinese from Nanjing Vocational Tertiary Institute* (南京職工高等學校) in the PRC in December 1988. Mr. Tian completed a master's course program in administrative management from Nanjing University (南京大學) in the PRC in August 1997 and received his master's degree in business management from China Europe International Business School (中歐國際工商學院) ("CEIBS") in the PRC in September 2007. Mr. Tian was awarded the "EY Entrepreneur of the Year" in the real estate industry by Ernst & Young in October 2019.

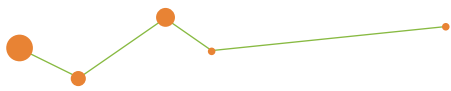
Dr. Li Minghui (李明輝), aged 50, has been appointed as our independent non-executive Director with effect from December 8, 2021. Dr. Li is primarily responsible for supervising and providing independent judgment to our Board. Dr. Li was a lecturer in accounting from August 2003 to July 2005 and an associate professor in accounting from August 2005 to November 2006 at the School of Management in Xiamen University (廈門大學). Dr. Li served as an associate professor at the School of Business in Nanjing University (南京大學) from December 2006 to December 2009. Since December 2009, Dr. Li has been a professor in accounting at the School of Business in Nanjing University (南京大學).

Dr. Li has been an independent non-executive director of Jiangsu Sugang Shipping Co., Ltd.* (江蘇蘇港航運股份有限公司), a company principally engaged in maritime cargo transportation since October 2023 and has also served as an independent non-executive director of a number of listed companies, including Nanjing Zhongweixin Software Technology Co., Ltd.* (南京中衛信軟件科技股份有限公司) from August 2020 to August 2023, Baosheng Science and Technology Innovation Co., Ltd. (寶勝科技創新股份有限公司) (stock code: 600973.SH) from December 2014 to May 2019, Changchai Co., Ltd. (常柴股份有限公司) (stock code: 000570.SZ) from March 2015 to April 2020, Jiangsu Fasten Co., Ltd. (江蘇法爾勝股份有限公司) (stock code: 000890.SZ) from April 2015 to November 2019, Nanjing Securities Co., Ltd. (南京證券股份有限公司) (stock code: 601990.SH) from May 2016 to June 2022 and GCL Energy Technology Co., Ltd. (協鑫能源科技股份有限公司) (stock code: 002015.SZ) since June 2019.

田先生於1979年12月取得中國南京河運學校(現稱南京航運學校)發動機管理文憑,並於1988年12月取得中國南京職工高等學校中文文憑。田先生於1997年8月在中國南京大學完成行政管理碩士課程,並於2007年9月獲得中國中歐國際工商學院(「中歐國際工商學院」)工商管理碩士學位。田先生於2019年10月榮獲安永授予房地產行業「安永企業家獎」。

李明輝博士, 50歲,獲委任為獨立非執行董事,自2021年12月8日起生效。李博士主要負責監督董事會並向其提供獨立判斷。李博士於2003年8月至2005年7月擔任廈門大學管理學院會計學講師,並於2005年8月至2006年11月擔任該校會計學副教授。李博士於2006年12月至2009年12月擔任南京大學商學院副教授。自2009年12月起,李博士擔任南京大學商學院會計學教授。

李博士自2023年10月起擔任江蘇蘇港航運股份有限公司(一家主要從事海上貨物運輸的公司)的獨立非執行董事,同時還自2020年8月至2023年8月於南京中衛信軟件科技股份有限公司、自2014年12月至2019年5月於寶勝科技創新股份有限公司(證券代碼:600973.SH)、自2015年3月至2020年4月於常柴股份有限公司(證券代碼:000570.SZ)、自2015年4月至2019年11月於江蘇法爾勝股份有限公司(證券代碼:000890.SZ)、自2016年5月至2022年6月於南京證券股份有限公司(證券代碼:601990.SH)以及自2019年6月起於協鑫能源科技股份有限公司(證券代碼:002015.SZ)等多家上市公司擔任獨立非執行董事。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷詳情

Dr. Li has been a director of China Audit Society (中國審計學會) since December 2009 and the vice president of Jiangsu Audit Society* (江蘇審計學會) since January 2019.

Dr. Li received his bachelor's degree in accounting from Nanjing University of Science and Technology (南京理工大學) in the PRC in June 1997 and his master's degree in accounting from Shandong University of Economics (山東經濟學院) (currently known as Shandong University of Finance and Economics (山東財經大學)) in the PRC in June 2000. Dr. Li obtained his doctorate degree in accounting from Xiamen University (廈門大學) in July 2003. Dr. Li is qualified as a non-practicing certified public accountant issued by The Chinese Institute of Certified Public Accountants since December 2009.

Mr. Jiang Li (蔣立), aged 59, has been appointed as our independent non-executive Director with effect from December 8, 2021. Mr. Jiang is primarily responsible for supervising and providing independent judgment to our Board.

Mr. Jiang was the founder of Nanjing Tianjia Air-conditioning Equipment Co., Ltd.* (南京天加空調設備有限公司), which was later renamed as Nanjing Tianjia Environmental Technology Co., Ltd.* (南京天加環境科技有限公司) and had been appointed as its director and general manager in 1999, and has currently served as the chairman of the board of the same. Mr. Jiang served as a director of MayAir Technology (China) Co., Ltd (美埃(中國)環境科技股份有限公司) from July 2019 to March 2020 and was appointed as the chairman of its board since March 2020. Mr. Jiang has been a director of Guangzhou Smardt Chiller Manufacturing Co., Ltd.* (廣州思茂特冷凍設備製造有限公司) since January 2021. Mr. Jiang is also a member of the National Professional Standardization Technical Committee* (全國專業標準化技術委員會).

Mr. Jiang received his master's degree in business management from China Europe International Business School (中歐商學院) in the PRC in September 2009. During his career, Mr. Jiang was nominated as an innovative enterprise talent by the PRC Ministry of Science and Technology* (科技部創新企業人才) and an excellent contributor to the cause of socialism with Chinese characteristics in Jiangsu Province* (江蘇省優秀中國特色社會主義事業建設者). Mr Jiang was also awarded the first prize and the second prize in China machinery industry science and technology* (中國機械工業科學技術一等獎及二等獎) and Nanjing science and technology progress award* (南京市科技進步獎).

李博士自2009年12月起擔任中國審計學會的理事並自2019年1月起擔任江蘇審計學會的副會長。

李博士於1997年6月取得中國南京理工大學會計學學士學位，並於2000年6月取得中國山東經濟學院(現稱為山東財經大學)會計學碩士學位。李博士於2003年7月取得廈門大學會計學博士學位。李博士自2009年12月起為中國註冊會計師協會非執業註冊會計師。

蔣立先生，59歲，獲委任為我們的獨立非執行董事，自2021年12月8日起生效。蔣先生主要負責監督董事會並向其提供獨立判斷。

蔣先生為南京天加空調設備有限公司(其後更名為南京天加環境科技有限公司)的創始人，並於1999年獲委任為其董事及總經理，現任董事長。蔣先生於2019年7月至2020年3月擔任美埃(中國)環境科技股份有限公司的董事，自2020年3月起獲委任為該公司董事會主席。蔣先生自2021年1月起擔任廣州思茂特冷凍設備製造有限公司董事。蔣先生亦為全國專業標準化技術委員會成員。

蔣先生於2009年9月取得中國中歐商學院工商管理碩士學位。在蔣先生的職業生涯中，其被提名為中國科技部創新企業人才及江蘇省優秀中國特色社會主義事業建設者。蔣先生亦榮獲中國機械工業科學技術一等獎及二等獎及南京市科技進步獎。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷詳情

SENIOR MANAGEMENT

Mr. Hu Yian (胡以安) (“Mr. Hu”), aged 55, is our chief financial officer. Mr. Hu is primarily responsible for overseeing overall financial operations, financing and investment activities of our Group.

Mr. Hu joined our Group in April 2003 and has since served as the director and financial vice president of Nanjing Chervon Industry. Mr. Hu currently also serves as a director in a number of our subsidiaries. Mr. Hu has been a director of Chervon Auto Precision Technology, a company listed on the Shanghai Stock Exchange (stock code: 603982.SH), from March 2012 to November 2022. Prior to joining our Group, he was a financial manager of Nanjing Ericsson Panda Communication Co., Ltd.* (南京愛立信熊貓通信有限公司) from November 1995 to March 2003.

Mr. Hu received his bachelor’s degree in industrial accounting from Northeast Institute of Technology (東北工學院) in the PRC in June 1992 and his master’s degree in international management from The Australian National University in Australia in June 2001.

Mr. Wu Shuming (吳書明), aged 57, is our vice president for product solution group department. Mr. Wu is primarily responsible for supervising and managing the research and development system and leading technological development of our Group.

Mr. Wu joined our Group as an engineer in Nanjing Chervon Industry in June 1997. Mr. Wu was appointed as the general manager of R&D of our Group in March 2010. Prior to joining our Group, Mr. Wu was an engineer in Nanjing Soil Instrument Factory* (南京土壤儀器廠) from July 1989 to May 1997.

Mr. Wu received his bachelor’s degree in vacuum technology and equipment from Hefei University of Technology (合肥工業大學) in the PRC in July 1989.

高級管理層

胡以安先生 (「胡先生」)，55歲，我們的首席財務官，主要負責監督本集團的整體財務運營以及投融資活動。

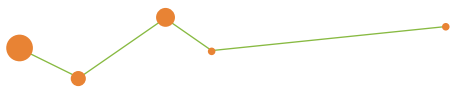
胡先生於2003年4月加入本集團，自此擔任南京泉峰科技的董事及財務副總裁。胡先生現時亦擔任我們多家附屬公司的董事。胡先生自2012年3月至2022年11月擔任上海證券交易所上市公司泉峰汽車精密技術(證券代碼：603982.SH)的董事。加入本集團前，其於1995年11月至2003年3月擔任南京愛立信熊貓通信有限公司的財務經理。

胡先生於1992年6月獲得中國東北工學院工業會計學士學位，並於2001年6月獲得澳大利亞國立大學(The Australian National University)國際管理碩士學位。

吳書明先生，57歲，我們的產品解決方案部副總裁，主要負責監督及管理本集團的研發系統及領導技術開發。

吳先生於1997年6月加入本集團，擔任南京泉峰科技的工程師。吳先生於2010年3月獲委任為本集團研發總經理。於加入本集團前，吳先生於1989年7月至1997年5月為南京土壤儀器廠的工程師。

吳先生於1989年7月獲得中國合肥工業大學真空技術及設備學士學位。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷詳情

Mr. Wu Gang (吳鋼), aged 50, is our chief digital officer. Mr. Wu is primarily responsible for overseeing the digital strategy and information technology development of our Group.

Mr. Wu has extensive experience in managing the digital and information system at various companies in the automotive industry. He joined our Group as the chief digital officer on April 26, 2021. Prior to joining our Group, Mr. Wu was the IT system project manager of SAIC General Motors Co., Ltd. from April 1998 to July 2005, the IT application director and the IT PMO director of SAIC Motor Corporation Limited from August 2005 to July 2011, the chief IT director of industrial group of Nippon China Limited from July 2011 to March 2012, the IT director of Geely and Volvo China in April 2012 and the chief digital officer of SAIC MAXUS Automotive Co., Ltd. from February 2017 to July 2020.

Mr. Wu received his bachelor's degree in computer science and technology from Shanghai Jiao Tong University (上海交通大學) in the PRC in July 1996 and his master's degree in business administration from Fudan University (復旦大學) in the PRC in January 2008.

Ms. Shan Xiaodong (單曉東), aged 57, is our vice president for human resources. Ms. Shan is primarily responsible for overseeing human resources planning and management of our Group. Ms. Shan joined our Group in May 2017 as the vice president for human resources in Nanjing Chervon Industry.

Prior to joining our Group, Ms. Shan was a lecturer in School of Economics and Management of Inner Mongolia University (內蒙古大學經濟管理學院) from 1995 to 1996. Subsequently, Ms. Shan held senior human resources management positions in various companies, including serving as a human resources and administrative manager at BP China Ltd. from 2001 to 2003, the vice president for Asia Pacific human resources (亞太人力資源總監) of Hexion Inc. (previously Momentive Specialty Chemicals) from 2003 to 2015 and the vice president for human resources of Shanghai Fortune Map Trading Limited (上海運圖貿易有限公司) from 2015 to 2017.

Ms. Shan received her bachelor's degree in economic management from Fudan University (復旦大學) in the PRC in July 1988 and her master's degree in management from BI Norwegian School of Management in Norway in February 1999.

吳鋼先生，50歲，我們的首席數字官，主要負責監督本集團的數字戰略及信息技術開發。

吳先生曾管理汽車行業多家公司的數字及信息系統，擁有豐富的相關經驗。其於2021年4月26日加入本集團擔任首席數字官。於加入本集團前，吳先生於1998年4月至2005年7月擔任SAIC General Motors Co., Ltd.的IT系統項目經理，於2005年8月至2011年7月擔任上海汽車集團股份有限公司的IT應用總監及IT PMO總監，於2011年7月至2012年3月擔任Nippon China Limited工業組的首席信息技術官，於2012年4月擔任Geely and Volvo China的IT總監，並於2017年2月至2020年7月擔任上汽大通汽車有限公司的首席數字官。

吳先生於1996年7月獲得中國上海交通大學計算機科學與技術學士學位，並於2008年1月獲得中國復旦大學工商管理碩士學位。

單曉東女士，57歲，我們的人力資源副總裁，主要負責監督本集團的人力資源規劃及管理。單女士於2017年5月加入本集團，擔任南京泉峰科技的人力資源副總裁。

加入本集團前，單女士於1995年至1996年擔任內蒙古大學經濟管理學院講師。之後，單女士於多家公司擔任高級人力資源管理職位，包括於2001年至2003年擔任BP China Ltd.的人力資源及行政經理，於2003年至2015年於Hexion Inc. (前稱Momentum Specialty Chemicals) 擔任亞太人力資源總監以及自2015年至2017年於上海運圖貿易有限公司擔任人力資源副總裁。

單女士於1988年7月獲得中國復旦大學經濟管理學士學位，並於1999年2月獲得挪威管理學院(BI Norwegian School of Management)管理學碩士學位。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷詳情

Mr. Peter John Melrose, aged 58, is our vice president for the European sales & marketing. Mr. Melrose is primarily responsible for supervising overall operations, management, strategic planning and sales and marketing development of our DIY power tools and OPE business in Europe. Mr. Melrose joined our Group as a general manager of Chervon Europe Limited in June 2007 and was appointed as the managing director of EGO Europe GmbH since November 2015. Mr. Melrose has been a managing director of Chervon GmbH since November 2022. Prior to joining our Group, Mr. Melrose began his career with Black & Decker and held various sales, marketing and product development positions before joining NEC (UK) LTD as the European marketing manager. Mr. Melrose continued his career in marketing with one of the UK's foremost companies (Centrica plc) within its energy supply business (British Gas Trading Ltd) and re-joined the power tool industry in Europe as a commercial director with Global Machinery Company Pty. Mr. Melrose received his bachelor's degree in civil engineering from Hatfield Polytechnic in the UK in July 1988 and his master's degree in business administration (MBA) with a major in strategic marketing from Hull University in the UK in July 1997.

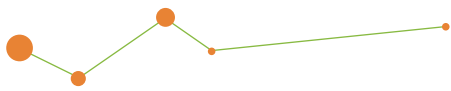
Dr. Christian Neuner, aged 48, is our vice president for FLEX. Mr. Neuner is primarily responsible for supervising overall operations, management, strategic planning and sales and marketing development of the FLEX brand product.

Dr. Neuner joined our Group in August 2014 as the vice president of corporate strategy and development of Nanjing Chervon Industry. Dr. Neuner has subsequently held positions in a number of our subsidiaries, including the managing director of Chervon GmbH from October 2016 to March 2023, the managing director of FLEX Elektrowerkzeuge GmbH since May 2017, the managing director of Flex Geschäftsführungs GmbH since June 2017 and the chief executive officer of Flex Verwaltungs GmbH & Co. KG since January 2018. Prior to joining our Group, Dr. Neuner served as a project manager of Roland Berger Strategy Consultants GmbH from May 2003 to October 2010 and a principal of Roland Berger Management Consultants (Shanghai) Co., Ltd. from October 2010 to July 2014.

Peter John Melrose先生，58歲，我們的歐洲銷售及營銷部副總裁，主要負責監督我們在歐洲的DIY電動工具及OPE業務的整體運營、管理、戰略規劃以及銷售及營銷開發。Melrose先生於2007年6月加入本集團，擔任Chervon Europe的總經理，並自2015年11月起被委任為EGO Europe GmbH的董事總經理。Melrose先生自2022年11月起擔任Chervon GmbH的董事總經理。加入本集團前，Melrose先生最初就職於Black & Decker，並擔任該公司多個銷售、營銷及產品開發職位，隨後其加入NEC (UK) LTD擔任歐洲營銷經理。Melrose先生繼續從事能源供應業務(British Gas Trading Ltd)，就職於英國一家頂尖公司(Centrica plc)的營銷崗位，並重回歐洲電動工具行業，擔任Global Machinery Company Pty的商務總監。Melrose先生於1988年7月獲得英國Hatfield Polytechnic土木工程學士學位，並於1997年7月獲得英國赫爾大學(Hull University)工商管理碩士學位，主修戰略營銷。

Christian Neuner博士，48歲，我們FLEX的副總裁，主要負責監督FLEX品牌產品的整體運營、管理、戰略規劃以及銷售及營銷開發。

Neuner博士於2014年8月加入本集團，擔任南京泉峰科技的企業戰略及發展副總裁。Neuner博士隨後於我們多家附屬公司任職，包括自2016年10月至2023年3月擔任Chervon GmbH的董事總經理、自2017年5月起擔任FLEX Elektrowerkzeuge GmbH的董事總經理、自2017年6月起擔任Flex Geschäftsführungs GmbH的董事總經理及自2018年1月起擔任Flex Verwaltungs GmbH & Co. KG的行政總裁。加入本集團前，Neuner博士於2003年5月至2010年10月擔任Roland Berger Strategy Consultants GmbH的項目經理，並於2010年10月至2014年7月擔任羅蘭貝格管理諮詢(上海)有限公司的負責人。



BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷詳情

Dr. Neuner received his master's degree in business administration with a major in marketing and production and his doctorate degree in business administration from the University of Bayreuth in Germany in May 2002 and April 2009, respectively. Dr. Neuner has been one of the board members of the European Power Tool Association since January 2020 and has been elected as the vice president of the German Power Tool Association in July 2021.

* For identification purposes only

JOINT COMPANY SECRETARIES

Mr. Hu Yian (胡以安) was appointed as one of the joint company secretaries of our Company on August 4, 2021, which took effect on the same day.

For biographical details of Mr. Hu, please see “—Senior Management” in this section.

Ms. Mok Ming Wai (莫明慧) (“Ms. Mok”) was appointed as one of the joint company secretaries of the Company on August 25, 2022, which took effect on the same day.

Ms. Mok is currently as executive director of Tricor Services Limited. She is a Chartered Secretary, a Chartered Governance Professional and a fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. Ms. Mok holds a degree of Master of Science in Applied Accounting and Finance. She has over 26 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

Neuner博士分別於2002年5月及2009年4月獲得德國拜羅伊特大學(University of Bayreuth)工商管理碩士學位(主修市場營銷及生產)及工商管理博士學位。Neuner博士自2020年1月起為歐洲電動工具協會的理事會成員之一，並於2021年7月獲選為德國電動工具協會的副理事長。

聯席公司秘書

胡以安先生於2021年8月4日獲委任為本公司聯席公司秘書之一，並於同日生效。

有關胡先生履歷細節，請參閱本節上文「—高級管理層」。

莫明慧女士(「莫女士」)於2022年8月25日獲委任為本公司聯席公司秘書之一，並於同日生效。

莫女士現為卓佳專業商務有限公司的執行董事。彼為特許秘書、特許企業管治專業人員，以及香港公司治理公會及英國特許公司治理公會資深會士。莫女士持有應用會計與金融理學碩士學位。彼擁有逾26年公司秘書工作經驗，負責為香港上市公司、跨國、私營及離岸公司提供專業公司秘書服務。



DIRECTORS' REPORT

董事會報告

The Board is pleased to present this Annual Report and the audited consolidated financial statements of the Group for the Reporting Period. All references in this section to other sections, parts of or notes in this Annual Report, form part of this Directors' Report section.

GLOBAL OFFERING

The Company was incorporated in Hong Kong as a private company with limited liability under the predecessor ordinance of the Companies Ordinance (which was in force from time to time before March 3, 2014) on February 19, 1999, the shares of which (the “Shares”) were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on December 30, 2021 (the “Listing Date”). The prospectus of the Company dated December 17, 2021 (“Prospectus”) has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<https://global.chervongroup.com>).

PRINCIPAL BUSINESS

The Company is an investment holding company. The Group is principally engaged in researching, developing, manufacturing, testing, sales, and after-sale services for power tools, outdoor power equipment and related products. Analysis of the principal activities of the Group during the Reporting Period is set out in note 4 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the business of the Group and a discussion and analysis of the Group's performance during the Reporting Period are set out in the sections headed “Chairman's Statement” on pages 7 to 9 and “Management Discussion and Analysis” on pages 10 to 25 of this Annual Report.

An account of the Group's key relationships with its key stakeholders is provided in the section headed “Chairman's Statements” on pages 7 to 9 of this Annual Report and “— Relationship with Stakeholders” under this section. An analysis of the Group's performance during the Reporting Period using financial key performance indicators is set out in the section headed “Financial Summary” on page 6 and “Management Discussion and Analysis” on pages 10 to 25 of this Annual Report.

本公司董事會欣然公佈本集團於報告期之本年報及經審計綜合財務報表。本節所提述的本年報其他章節、部分或附註均構成本董事會報告一節的一部分。

全球發售

本公司於1999年2月19日根據公司條例之前身條例註冊（其於2014年3月3日之前不時生效）在香港註冊成立為一家私人有限公司，其股份（「股份」）於2021年12月30日（「上市日期」）在香港聯合交易所有限公司（「聯交所」）主板上市。本公司日期為2021年12月17日的招股章程（「招股章程」）已刊載於聯交所網站（www.hkexnews.hk）及本公司網站（<https://global.chervongroup.com>）。

主要業務

本公司為一間投資控股公司。本集團主要從事電動工具、戶外動力設備及相關產品的研究、開發、製造、測試、銷售及售後服務。本集團於報告期的主要業務分析載於綜合財務報表附註4。

業務回顧

報告期本集團業務的中肯回顧及本集團表現的討論及分析載列於本年報第7至9頁的「董事長致辭」一節及第10至25頁的「管理層討論與分析」一節。

本集團與其重要利益相關者的重要關係論述載列於本年報第7至9頁的「董事長致辭」及本節中「— 與利益相關者的關係」。運用財務關鍵表現指標進行的本集團報告期的表現分析載列於本年報第6頁的「財務摘要」一節及第10至25頁的「管理層討論與分析」一節。



DIRECTORS' REPORT

董事會報告

Compliance with Laws and Regulations

During the Reporting Period, as far as the Board is aware, the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material aspects.

Principal Risks and Uncertainties

The Directors are aware that the Group's financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The key risks and uncertainties identified by the Group are set out as follows:

Principal Risks and Uncertainties Relating to the Industry and Overall Economy

- Unfavorable economic and geopolitical conditions in the markets in which we operate, such as the trade tensions between China and the United States, may adversely affect our sales.
- We face active competition and resulting pricing pressures, and we may not be able to compete effectively against current and future competitors.
- Competitor innovations, customer and end-user preferences and production and market conditions in the power tools and OPE industry may change rapidly, and we may not be able to sufficiently and promptly respond to such changes.

Principal Risks and Uncertainties Relating to Our Products

- Changes in customer and end-user preferences, inability to maintain mutually beneficial relationships with large customers, inventory reductions by customers and inability to penetrate new channels of distribution could adversely affect our business.
- The inability to develop and introduce new products at favorable margins, or low customer demand for new products, could adversely impact our business.
- Unsatisfactory performance of or defects in our products may harm our reputation, lead to product returns or recalls and subject us to significant product liability litigations.

遵守法律及法規

於報告期，就董事會所知，本集團已於各重大方面遵守對本集團有重大影響的相關法律及法規。

主要風險及不確定因素

據董事所悉，本集團的財務狀況、經營業績、業務及前景可能會受到諸多風險及不確定因素的影響。本集團已識別的主要風險及不確定因素如下：

與行業及整體經濟有關的主要風險及不確定因素

- 我們經營所在市場的不利經濟及地緣政治狀況（如中美貿易緊張局勢）可能對我們的銷售造成不利影響。
- 我們面臨激烈的競爭及由此產生的定價壓力，且我們可能無法與現有及未來競爭對手有效競爭。
- 競爭對手的創新、客戶及終端用戶偏好以及電動工具及OPE行業的生產及市場狀況可能會快速變化，而我們可能無法充分及時地應對該等變化。

我們產品有關的主要風險及不確定因素

- 客戶及終端用戶偏好的變化、無法與大客戶維持互利關係、客戶減少存貨及無法滲透新分銷渠道均可能對我們的業務造成不利影響。
- 無法以有利的利潤率開發及推出新產品或客戶對新產品的需求較低，可能會對我們的業務造成不利影響。
- 我們產品的性能不佳或有缺陷可能損害我們的聲譽，導致產品退貨或召回，並使我們面臨重大產品責任訴訟。



- Any mishandling of our battery cells and battery packs may cause safety accidents and disruptions to the operation of our facilities.
- We may fail to maintain our brand position among our targeted end-user groups, and market perception and end-user acceptance of our brands may suffer.
- We are subject to various regulatory and customer-imposed guidelines and may not be successful in maintaining an effective quality control system.
- 如我們的電芯和電池包出現任何處理不當，可能導致安全事故及我們的設施運作中斷。
- 我們可能未能成功保持我們在目標終端用戶群體中的品牌地位，我們品牌的市場認知度及終端用戶接受度可能會受損。
- 我們須遵守多項法規及客戶制訂的指引，且未必能成功維持有效的質量監控制度。

Principal Risks and Uncertainties Relating to Our Operations

- Our business depends in part on our ability to protect our intellectual property rights and operate without infringing on the rights of third parties.
- Our business depends on third-party suppliers to meet our requirements for high-quality production and timely delivery of raw materials and components.
- Our manufacturing capabilities depend on labor supply and middle management, and we may not be able to recruit, train and retain qualified personnel or maintain a sufficient workforce.
- Our distributors may engage in misconduct or other improper activities, as a result of which, we may be exposed to regulatory investigations, penalties or other negative consequences.

我們運營有關的主要風險及不確定因素

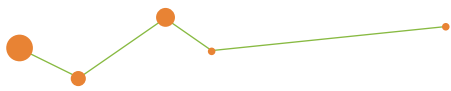
- 我們的業務部分取決於我們保護知識產權及在不侵犯第三方權利的情況下運營的能力。
- 我們的業務依賴第三方供應商滿足我們對原材料及零部件的高質量生產及及時交付的要求。
- 我們的製造能力取決於勞動力供應及中級管理人員，而我們可能無法招聘、培訓及挽留合資格人員或維持足夠的勞動力。
- 我們的分銷商可能從事不當行為或其他不當活動，因此，我們可能面臨監管調查、處罰或其他負面後果。

Principal Risks and Uncertainties Relating to Our Financial Condition

- We may not be able to obtain adequate financing on commercially reasonable terms on a timely basis, or at all, and any debt financing may contain covenants that restrict our business or operations.
- We may not achieve optimal results in future acquisitions, investments, partnerships or new businesses, or may encounter difficulties in integrating and developing the acquired assets or investments successfully.
- Changes in taxation on our business may materially and adversely affect our business, financial condition and results of operations.

我們財務狀況有關的主要風險及不確定因素

- 我們可能無法及時或根本無法以商業合理條款獲得足夠融資，且任何債務融資可能包含限制我們業務或運營的契諾。
- 我們在未來的收購、投資、合夥或新業務中可能無法取得最佳結果，或在成功整合及開發所收購資產或投資方面可能遭遇困難。
- 我們業務的稅務變化可能會對我們的業務、財務狀況及經營業績產生重大不利影響。



DIRECTORS' REPORT

董事會報告

Principal Risks and Uncertainties Relating to Regulatory Compliance

- We may not be able to obtain, maintain and renew various permits, licenses, certificates, consents and other approvals from administrative authorities.
- Failure in complying with quotas, duties, tariffs or other restrictions on imports and exports may expose us to increased costs and delay the transportation of our products to market.
- We are subject to national and local environmental and health and safety directives, laws and regulations, and the violation of which may materially and adversely affect our business, results of operations and financial condition.

監管合規有關的主要風險及不確定因素

- 我們可能無法從行政當局取得、維持及更新各種許可、牌照、證書、獲批及其他批准。
- 未能遵守對進出口的配額、稅項、關稅或其他限制，可能令我們面臨成本增加及延遲產品運輸至市場。
- 我們遵守國家及地方的環境、健康及安全指令、法律及法規，違反有關指令、法律及法規可能對我們的業務、經營業績及財務狀況造成重大不利影響。

Principal Risks and Uncertainties Relating to Doing Business in the PRC

- The economic, political and social conditions in China, as well as government policies, laws and regulations, could affect our business, financial conditions and results of operations.
- Uncertainties with respect to the PRC legal system could limit the legal protections available to us and any litigation in China may be protracted and result in substantial costs and diversion of our resources and management attention.
- Fluctuations in the value of the RMB and the PRC government's control over foreign currency conversion may adversely affect our business and results of operations.

於中國開展業務有關的主要風險及不確定因素

- 中國的經濟、政治及社會狀況以及政府政策、法律及法規或會影響我們的業務、財務狀況及經營業績。
- 有關中國法律制度的不明朗因素或會限制提供予我們的法律保障，且中國的任何訴訟可能延長，並會導致巨額費用及分散我們的資源及管理層的注意力。
- 人民幣幣值波動及中國政府管制外匯兌換可能對我們的業務及經營業績構成不利影響。

For details regarding the Company's risk management system, please refer to the section headed "Risk Management and Internal Control" in the Corporate Governance Report on pages 90 to 93 of this Annual Report.

有關本公司的風險管理系統，本年報第90至93頁的企業管治報告「風險管理及內部控制」一節。



ENVIRONMENTAL POLICIES AND PERFORMANCE

The Board is responsible for evaluating and managing material ESG issues. Company management is responsible for developing the Company's ESG strategy, policy and reporting, including assessing and managing climate-related risks, with oversight provided by the Board. For environmental matters, our Environmental, Health and Safety ("EHS") department and equipment management department are responsible for managing environmental and climate-related risks arising from our business operations. The EHS department identifies key environmental factors, establishes operational control requirements and procedures and conducts relevant monitoring and inspections. The EHS department also reviews and updates the operational control procedures on an annual basis in accordance with changes to key environmental factors, applicable laws and regulations and compliance assessments.

During the Reporting Period, we had not been subject to any material fines or other penalties due to non-compliance in relation to environmental protection laws and regulations that had a material adverse impact on our operations and, so far as our Directors are aware after making all reasonable enquiries, there was no threatened or pending action by any environmental government authorities in respect thereof.

For details of the Company's environmental policies and performance, please refer to the Company's 2023 Environmental, Social and Governance Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Group has complied with the "comply or explain" provisions in the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange (the "Listing Rules").

Further details of the Group's ESG matters including environmental policies and performance are set out in the Company's 2023 Environmental, Social and Governance Report.

環境政策及表現

董事會負責評估及管理重大ESG事宜。公司管理層負責在董事會的監督下制定本公司的ESG策略、政策及報告，包括評估及管理氣候相關風險。於環境事宜方面，我們的環境、健康及安全（「EHS」）部門及設備管理部門負責管理我們業務運營中產生的環境及氣候相關風險。EHS部門識別關鍵環境因素，制定運作控制要求及程序，並進行相關的監測及檢查。EHS部門亦根據關鍵環境因素、適用法律法規及合規評估的變化，每年審查及更新運作控制程序。

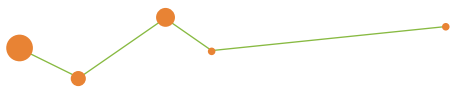
於報告期，我們並無因未遵守環保法律法規而遭受對我們經營造成重大不利影響的任何重大罰款或其他處罰。經董事在作出一切合理查詢後所悉，本集團概無面臨任何政府環保機關就此作出的任何具威脅性或待決行動。

有關本公司的環境政策及表現詳情，請參閱本公司的2023年「環境、社會及管治報告」。

環境、社會及管治報告

於報告期，本集團已遵守聯交所證券上市規則（「上市規則」）附錄二十七所載的環境、社會及管治報告指引的「不遵守就解釋」條文。

有關本集團ESG事項（包括環境政策及表現）的進一步詳情載於本公司的2023年「環境、社會及管治報告」。



DIRECTORS' REPORT

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended December 31, 2023, the Group's largest customer and five largest customers accounted for approximately 34.5% and 59.3% (2022: 49.8% and 70.5%) respectively of the Group's total revenue; and the Group's largest supplier and five largest suppliers accounted for approximately 21.7% and 33.8% respectively of the Group's total purchases (2022: 10.8% and 27.9%).

As far as the Directors are aware, none of the Directors, their associates or any Shareholders who owned more than 5% of the Company's share capital had any interest in the five largest customers or suppliers of the Group.

RESULTS

The results of the Group for the Reporting Period are set out in the consolidated financial statement on page 108 of this Annual Report.

FINAL AND SPECIAL DIVIDEND

The Board has recommended the payment of a special dividend of US\$0.0354 per ordinary share (equivalent to HK\$0.2764 per ordinary share) for the year ended December 31, 2023 (2022: nil). This proposed special dividend is subject to the approval of the Shareholders at the annual general meeting of the Company (the "AGM") to be held on June 4, 2024, and the special dividend is expected to be payable on or before Tuesday, July 16, 2024 to those Shareholders whose names appear on the Company's register of members as of Thursday, June 13, 2024. No final dividend was recommended by the Board for the year ended December 31, 2023 (2022: US\$0.0718 per ordinary share (equivalent to HK\$0.5600 per ordinary share)).

CLOSURE OF REGISTER OF MEMBERS/RECORD DATE

The register of members of the Company will be closed from Thursday, May 30, 2024 to Tuesday, June 4, 2024, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM, during which period no share transfers will be registered. To be eligible to attend the AGM, all transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before Wednesday, May 29, 2024.

重要客戶及供應商

截至2023年12月31日止年度，本集團的最大客戶及五大客戶分別約佔本集團總收入的34.5%及59.3%（2022年：49.8%及70.5%）；而本集團的最大供應商及五大供應商分別約佔本集團總採購額的21.7%及33.8%（2022年：10.8%及27.9%）。

就董事所知，概無董事、彼等之聯繫人或擁有本公司股本5%以上之本公司任何股東於本集團的五大客戶或供應商中擁有任何權益。

業績

本集團於報告期的業績載於本年報第108頁的綜合財務報表內。

末期及特別股息

董事會已建議就截至2023年12月31日止年度派付每股普通股0.0354美元（相當於每股普通股0.2764港元）之特別股息（2022年：零）。該建議特別股息須經股東於2024年6月4日舉行的本公司股東週年大會（「股東週年大會」）批准，且特別股息預計將於2024年7月16日（星期二）或之前派付予截至2024年6月13日（星期四）名列本公司股東名冊的股東。董事會不建議就截至2023年12月31日止年度派付末期股息（2022年：每股普通股0.0718美元（相當於每股普通股0.5600港元））。

暫停辦理股份過戶登記／記錄日期

本公司將自2024年5月30日（星期四）至2024年6月4日（星期二）（包括首尾兩日）暫停辦理股份過戶登記手續，以釐定有權出席股東週年大會的股東身份，該期間內將不會登記任何股份過戶。為符合資格出席股東週年大會，所有過戶表格連同相關股票須於2024年5月29日（星期三）前送達本公司的股份過戶登記處卓佳證券登記有限公司（地址為香港夏慤道16號遠東金融中心17樓）以辦理登記手續。



Record date for determining the entitlement of the Shareholders to the special dividend (if approved by the Shareholders in the AGM) is Thursday, June 13, 2024. To qualify for the special dividend, all transfers forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before Friday, June 7, 2024. The register of members of the Company will be closed from Tuesday, June 11, 2024 to Thursday, June 13, 2024, both days inclusive, on which dates no share transfers will be registered.

DIVIDEND POLICY

Pursuant to the dividend policy adopted by the Company (the "**Dividend Policy**"), the declaration of dividends is subject to the discretion of the Board, and, if necessary, the approval of the Shareholders. In considering the declaration and payment of dividends, the Board shall take into account the Group's results of operations, cash flows, financial condition, statutory and regulatory restrictions on the payment of dividends by the Company, the Company's capital requirements, future business plans and prospects and any other factors that the Board may consider relevant. Any declaration and payment, as well as the amount, of any dividend will also be subject to the articles of association of the Company (the "**Articles of Association**") and all applicable laws and regulations. The Directors may reassess the Dividend Policy from time to time. Further details of the Dividend Policy are provided in the Corporate Governance Report on pages 94 to 95 of this Annual Report.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 6 of this Annual Report. The summary does not form part of the audited consolidated financial statements.

BANK BORROWINGS

Details of the bank borrowings of the Group for the year ended December 31, 2023 are set out in note 23 to the consolidated financial statements.

釐定股東收取特別股息（倘於股東週年大會上獲股東批准）資格的記錄日期為2024年6月13日（星期四）。為符合資格獲派特別股息，所有過戶表格連同相關股票須於2024年6月7日（星期五）前送達本公司的股份過戶登記處卓佳證券登記有限公司（地址為香港夏慤道16號遠東金融中心17樓）以辦理登記手續。本公司將自2024年6月11日（星期二）至2024年6月13日（星期四）（包括首尾兩日）暫停辦理股份過戶登記手續。

股息政策

根據本公司採納的股息政策（「**股息政策**」），股息宣派由董事會酌情釐定及（如需要）須經股東批准。董事會考慮宣派及派發股息時，須考慮本集團的營運業績、現金流量、財務狀況、本公司派發股息的法定及監管限制、本公司的資本需求、未來業務計劃及前景以及董事會可能認為相關的任何其他因素。任何股息的宣派及派發以及金額亦將須遵守本公司組織章程細則（「**組織章程細則**」）及所有適用的法律及法規。董事可不時重新評估該股息政策。有關股息政策的進一步詳情載於本年報第94至95頁的企業管治報告。

財務摘要

本集團過去五個財政年度之業績及資產與負債之摘要載列於本年報第6頁。該摘要不構成經審計綜合財務報表之一部分。

銀行借款

本集團截至2023年12月31日止年度的銀行借款詳情載列於綜合財務報表附註23。

USE OF NET PROCEEDS FROM GLOBAL OFFERING

The Company received net proceeds (after deduction of underwriting commissions and related costs and expenses) from its global offering completed in December 2021, including the full exercise of the over-allotment option, of approximately HK\$3,470.1 million (the “**2021 Net Proceeds**”).

As of December 31, 2022, the balance of the 2021 Net Proceeds amounted to approximately HK\$2,053.0 million. As of June 30, 2023, the balance of 2021 Net Proceeds amounted to approximately HK\$1,930.5 million. As set out in the Prospectus, it was the Company's plan that 66.5% of the 2021 Net Proceeds would be used for expanding and upgrading production facilities. After due and careful consideration of Group's business strategy and evolving market environment and customer needs, the Board has resolved on August 28, 2023 to approve the reallocation of the remaining 2021 Net Proceeds that remained unutilized as of June 30, 2023 and the updated timeframe. The intended uses and the balance of the 2021 Net Proceeds are set out below:

全球發售所得款項淨額用途

本公司於2021年12月完成的全球發售(包括悉數行使超額配股權)獲得所得款項淨額(經扣除包銷佣金及相關成本及開支)約為3,470.1百萬港元(「**2021年所得款項淨額**」)。

截至2022年12月31日，2021年所得款項淨額結餘約為2,053.0百萬港元。截至2023年6月30日，2021年所得款項淨額結餘約為1,930.5百萬港元。誠如招股章程所載，本公司計劃將2021年所得款項淨額的66.5%用於擴大及升級生產設施。經周詳及審慎考慮本集團的業務策略及不斷變化的市場環境及客戶需求後，董事會已於2023年8月28日議決批准重新分配截至2023年6月30日尚未動用的2021年所得款項淨額及經更新時間表。2021年所得款項淨額的擬定用途及結餘載列如下：

Intended Use of Net Proceeds	Original Allocation of 2021 Net Proceeds	Original Percentage of Total 2021 Net Proceeds	Balance of 2021 Net Proceeds as of June 30, 2023 截至 2023年6月30日 的2021年所得 款項淨額結餘	Updated	Percentage of Updated Allocation of Remaining 2021 Net Proceeds	Amount of Proceeds Utilized Between July 1, 2023 and December 31, 2023 2023年7月1日至 2023年12月31日 期間已動用所得 款項金額	Balance of 2021 Net Proceeds Unutilized as of December 31, 2023 截至 2023年12月31日 未動用2021年 所得款項淨額結餘	Updated Timeframe for Use of the Unutilized 2021 Net Proceeds 經更新使用未動用 2021年所得 款項淨額的時間表
				Allocation of Remaining 2021 Net Proceeds as of June 30, 2023 截至 2023年6月30日 經更新餘下2021年 所得款項淨額分配				
Expanding and upgrading production facilities 擴大及升級生產設施	HK\$2,307.6 million 2,307.6百萬港元	66.5%	HK\$1,930.5 million 1,930.5百萬港元	HK\$430.5 million 430.5百萬港元	22.3%	HK\$237.7 million 237.7百萬港元	HK\$192.8 million 192.8百萬港元	Before December 31, 2024 2024年12月31日之前
Researching and developing products 產品研發	HK\$312.3 million 312.3百萬港元	9.0%	Nil 零	HK\$469.1 million 469.1百萬港元	24.3%	HK\$322.2 million 322.2百萬港元	HK\$146.9 million 146.9百萬港元	Before December 31, 2024 2024年12月31日之前
Enhancing sales and distribution channels 改善銷售及分銷渠道	HK\$242.9 million 242.9百萬港元	7.0%	Nil 零	HK\$469.1 million 469.1百萬港元	24.3%	HK\$469.1 million 469.1百萬港元	Nil 零	Fully utilized in 2023 於2023年悉數動用
Paying interest-bearing bank borrowings 支付計息銀行借款	HK\$260.3 million 260.3百萬港元	7.5%	Nil 零	HK\$391.9 million 391.9百萬港元	20.3%	HK\$391.9 million 391.9百萬港元	Nil 零	Fully utilized in 2023 於2023年悉數動用
Working capital and other general corporate purposes 營運資金及其他一般公司用途	HK\$347.0 million 347.0百萬港元	10.0%	Nil 零	HK\$169.9 million 169.9百萬港元	8.8%	HK\$169.9 million 169.9百萬港元	Nil 零	Fully utilized in 2023 於2023年悉數動用
Total 總計	HK\$3,470.1 million 3,470.1百萬港元	100.0%	HK\$1,930.5 million 1,930.5百萬港元	HK\$1,930.5 million 1,930.5百萬港元	100%	HK\$1,590.8 million 1,590.8百萬港元	HK\$339.7 million 339.7百萬港元	



Considering the macroeconomic uncertainties, the Company has decided to adjust the development pace of its *CHERVON Smart Production Industrial Park* to align with such market change. Accordingly, part of the remaining 2021 Net Proceeds will be reallocated to researching and developing products, enhancing sales and distribution channels, paying interest-bearing bank borrowings and working capital and other general corporate purposes.

The Board is of the view that the reallocated use of remaining 2021 Net Proceeds will enable the Company to strengthen its competitive position, better address customers' needs, adapt to changing market conditions and improve the efficiency of the funds utilization, in alignment with the Company's strategic objectives and operational needs. Accordingly, the Board considers that the reallocated use of the remaining 2021 Net Proceeds is in the best interest of the Company and its shareholders as a whole, and will not have any material adverse impact on the existing business and operations of the Group.

The unutilized 2021 Net Proceeds are primarily placed in licensed banks in PRC and Hong Kong as of December 31, 2023. During the Reporting Period, the Group utilized or proposed to utilize the remaining 2021 Net Proceeds in accordance with the intended purposes and timelines previously disclosed by the Company.

USE OF NET PROCEEDS FROM PLACING AND TOP-UP SUBSCRIPTION

The Company received net proceeds from its placing and top-up subscription completed in January 2023, after deducting related fees, costs and expenses, of approximately HK\$773 million ("**2023 Net Proceeds**"). The intended uses and the balance of the 2023 Net Proceeds are set out below. As of December 31, 2023, the 2023 Net Proceeds have been fully utilized.

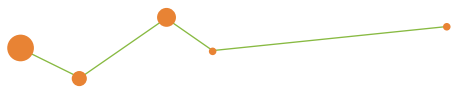
考慮到宏觀經濟的不確定性，本公司已決定調整其泉峰智能製造產業園的開發節奏，以適應相關市場變化。因此，部分餘下2021年所得款項淨額將重新分配至產品研發、增強銷售及分銷渠道、支付計息銀行借款以及營運資金及其他一般企業用途。

董事會認為，重新分配餘下2021年所得款項淨額用途將有助本公司加強其競爭地位、更好地滿足客戶需求、適應不斷變化的市場狀況及提高資金使用效率，從而與本公司的戰略目標及營運需要保持一致。因此，董事會認為重新分配餘下2021年所得款項淨額用途符合本公司及其股東的整體最佳利益，且不會對本集團的現有業務及營運造成任何重大不利影響。

截至2023年12月31日，未動用2021年所得款項淨額主要存入中國及香港的持牌銀行。於報告期間，本集團已根據本公司先前披露的擬定用途及時間表動用或建議動用餘下2021年所得款項淨額。

配售及先舊後新認購所得款項淨額用途

本公司自2023年1月完成的配售及先舊後新認購所得款項淨額（扣除相關費用、成本及開支後）約為773百萬港元（「**2023年所得款項淨額**」）。2023年所得款項淨額的擬定用途及結餘載列如下：截至2023年12月31日，2023年所得款項淨額已悉數動用。



DIRECTORS' REPORT

董事會報告

Intended use of Net Proceeds	Allocation of 2023 Net Proceeds	Percentage of Total 2023 Net Proceeds	Amount of	Balance of
			Net Proceeds Utilized up to December 31, 2023	Net Proceeds Unutilized as of December 31, 2023
所得款項淨額擬定用途	2023年所得 款項淨額分配	佔2023年所得款項 淨額總額的百分比	截至2023年 12月31日動用 所得款項淨額金額	截至2023年 12月31日未動用 所得款項淨額結餘
Enhancement of sales and distribution channels 增強銷售及分銷渠道	HK\$309.2 million 309.2百萬港元	40.0%	HK\$309.2 million 309.2百萬港元	Nil 零
Research and development of products 產品研發	HK\$231.9 million 231.9百萬港元	30.0%	HK\$231.9 million 231.9百萬港元	Nil 零
Upgrade of production facilities 升級生產設施	HK\$77.3 million 77.3百萬港元	10.0%	HK\$77.3 million 77.3百萬港元	Nil 零
Other general working capital purposes 其他一般營運資金用途	HK\$154.6 million 154.6百萬港元	20.0%	HK\$154.6 million 154.6百萬港元	Nil 零
Total 總計	HK\$773.0 million 773.0百萬港元	100.0%	HK\$773.0 million 773.0百萬港元	Nil 零

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 15 to the consolidated financial statements.

附屬公司

本公司附屬公司之詳情載於綜合財務報表附註15。

PROPERTY, PLANT AND EQUIPMENT

During the Reporting Period, the Group continued to expand its business and spent approximately US\$77.1 million on property, plant and equipment. Details of the movements in the property, plant and equipment of the Group during the Reporting Period are set out in note 12 to the consolidated financial statements.

物業、廠房及設備

於報告期，本集團繼續擴展其業務，並花費約77.1百萬美元於物業、廠房及設備。本集團於報告期的物業、廠房及設備變動詳情載列於綜合財務報表附註12。



SHARE CAPITAL

As of December 31, 2023, the Company's total number of issued Shares was 511,053,811. Details of movements in the Company's share capital during the Reporting Period are set out in note 32(c) to the consolidated financial statements.

EQUITY-LINKED AGREEMENT

There was no equity-linked agreement entered into by the Company or any of its subsidiaries during the Reporting Period or subsisted as of December 31, 2023.

RESERVES

Details of the movements in the reserves of the Company and the Group during Reporting Period are set out in note 32(a) to the consolidated financial statements.

DISTRIBUTABLE RESERVES

The Company's reserves available for distribution to the Shareholders as of December 31, 2023 amounted to US\$186.7 million (2022: US\$165.1 million). Details of the reserves of the Company available for distribution to the Shareholders as of December 31, 2023 are set out in note 32(a) to the consolidated financial statements.

DEBENTURE ISSUED

The Group did not issue any debenture during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

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

DONATIONS

During the Reporting Period, approximately US\$1.2 million charitable donations were made by the Group (2022: US\$0.3 million).

股本

截至2023年12月31日，本公司已發行股份總數為511,053,811股。本公司於報告期的股本變動詳情載列於綜合財務報表附註32(c)。

股票掛鈎協議

於報告期，本公司或其任何附屬公司並無訂立或於截至2023年12月31日存續股票掛鈎協議。

儲備

本公司及本集團於報告期的儲備變動詳情載於綜合財務報表附註32(a)。

可供分派儲備

截至2023年12月31日，本公司可供分派予股東的儲備為186.7百萬美元（2022年：165.1百萬美元）。有關本公司截至2023年12月31日可供分派予股東的儲備詳情載於綜合財務報表附註32(a)。

已發行債權證

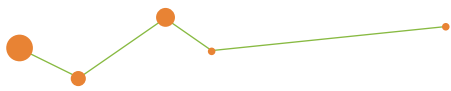
於報告期，本集團並無發行任何債權證。

購買、出售或贖回上市證券

於報告期內，本公司及其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

捐款

於報告期，本集團做出慈善捐款約1.2百萬美元（2022年：0.3百萬美元）。



DIRECTORS' REPORT

董事會報告

DIRECTORS

The directors of the Company and its subsidiaries during the Reporting Period and as of the date of this Annual Report are:

Directors of the Company:

Executive Directors

Mr. Pan Longquan (*Chairman, Chief Executive Officer*)
 Ms. Zhang Tong
 Mr. Ke Zuqian
 Mr. Michael John Clancy

Independent Non-Executive Directors

Mr. Tian Ming
 Dr. Li Minghui
 Mr. Jiang Li

Directors of the subsidiaries of the Company:

The following directors have served on the board of the subsidiaries of the Company as of December 31, 2023:

董事

於報告期及截至本年報日期，本公司及其附屬公司的董事如下：

本公司董事：

執行董事

潘龍泉先生 (*董事長，行政總裁*)
 張彤女士
 柯祖謙先生
 Michael John Clancy先生

獨立非執行董事

田明先生
 李明輝博士
 蔣立先生

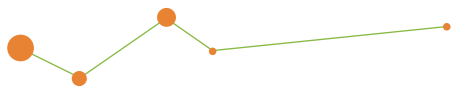
本公司附屬公司董事：

截至2023年12月31日，以下董事於本公司附屬公司的董事會任職：

Name of Subsidiaries 附屬公司名稱	Place of Incorporation 公司註冊成立地	Name of Directors	董事名稱
Chervon (HK) Ltd 泉峰(香港)有限公司	Hong Kong 香港	Mr. Pan Longquan Chervon Holdings Limited Ms. Zhang Tong Mr. Ke Zuqian Mr. Cheng Hong Kei	潘龍泉先生 泉峰控股有限公司 張彤女士 柯祖謙先生 鄭康棋先生
Chervon Overseas Holdings Limited 泉峰海外控股有限公司	Hong Kong 香港	Mr. Pan Longquan Ms. Zhang Tong Mr. Ke Zuqian	潘龍泉先生 張彤女士 柯祖謙先生
Chervon (China) Trading Co., Ltd 泉峰(中國)貿易有限公司	PRC 中國	Mr. Pan Longquan Ms. Zhang Tong Mr. Hu Yian	潘龍泉先生 張彤女士 胡以安先生
Chervon (China) Tools Sales Co., Ltd 泉峰(中國)工具銷售有限公司	PRC 中國	Ms. Zhang Tong	張彤女士



Name of Subsidiaries 附屬公司名稱	Place of Incorporation 公司註冊成立地	Name of Directors	董事名稱
Nanjing Chervon Industry 南京泉峰科技	PRC 中國	Mr. Pan Longquan Ms. Zhang Tong Mr. Ke Zuqian Mr. Hu Yian	潘龍泉先生 張彤女士 柯祖謙先生 胡以安先生
Chervon Industry (Vietnam) Co. Ltd 泉峰實業(越南)有限公司	Vietnam 越南	Mr. Li Ang ⁽¹⁾ Mr. Ren Dehong ⁽²⁾ Mr. Ke Zuqian ⁽²⁾	李昂先生 ⁽¹⁾ 任德宏先生 ⁽²⁾ 柯祖謙先生 ⁽²⁾
Chervon China Investment 泉峰(中國)投資有限公司	PRC 中國	Mr. Pan Longquan Ms. Zhang Tong Mr. Ke Zuqian	潘龍泉先生 張彤女士 柯祖謙先生
Chervon North America Inc.	US 美國	Ms. Zhang Tong Mr. Michael Jhon Clancy Mr. Wang Bin	張彤女士 Michael John Clancy先生 Wang Bin先生
Chervon Canada Inc.	Canada 加拿大	Mr. Pan Longquan Ms. Zhang Tong Mr. Gerald Beaudrie II	潘龍泉先生 張彤女士 Gerald Beaudrie II先生
Chervon Europe Ltd	United Kingdom 英國	Mr. Pan Longquan Ms. Zhang Tong	潘龍泉先生 張彤女士
EGO Europe GmbH	Germany 德國	Mr. Peter John Melrose Mr. Axel Stemmer	Peter John Melrose先生 Axel Stemmer先生
Chervon Australia Pty	Australia 澳大利亞	Mr. Pan Longquan Mr. Ng Paul King-Por Mr. Hu Yian	潘龍泉先生 Ng Paul King-Por先生 胡以安先生
Chervon NZ Subsidiary Limited	New Zealand 新西蘭	Mr. ASHBY, Richard Charles Mr. Pan Longquan Ms. Zhang Tong	ASHBY, Richard Charles先生 潘龍泉先生 張彤女士
Flex Geschäftsführungs GmbH	Germany 德國	Mr. Ke Zuqian Dr. Christian Neuner	柯祖謙先生 Christian Neuner博士
Flex Verwaltungs GmbH & Co KG	Germany 德國	General Partner: Chervon Geschäftsführungs GmbH Limited partner: Chervon Overseas Holdings limited	普通合夥人：Chervon Geschäftsführungs GmbH 有限合夥人：泉峰海外控股 有限公司



DIRECTORS' REPORT

董事會報告

Name of Subsidiaries 附屬公司名稱	Place of Incorporation 公司註冊成立地	Name of Directors	董事名稱
FLEX Elektrowerkzeuge GmbH	Germany 德國	Dr. Christian Neuner	Christian Neuner博士
FLEX Power Tools BVBA	Belgium 比利時	Mr. Robert Charles de Koning Flex Elektrowerkzeuge GmbH	Robert Charles de Koning先生
FLEX Power Tools B.V.	Netherlands 荷蘭	Dr. Christian Neuner Mr. Robert Charles de Koning	Christian Neuner博士 Robert Charles de Koning先生
FLEX Elektroná adí, s.r.o	The Czech Republic 捷克共和國	Dr. Christian Neuner Mr. Jan Skala	Christian Neuner博士 Jan Skala先生
FLEX Italia S.r.l	Italy 意大利	Dr. Christian Neuner Mr. Stefano Galdabino Mr. Gert Moller	Christian Neuner博士 Stefano Galdabino先生 Gert Moller先生
FLEX Electroportatif Machines et Accessoires-FEMA	France 法國	Dr. Christian Neuner Mr. Philippe Bayet Mr. Ashley Senna	Christian Neuner博士 Philippe Bayet先生 Ashley Senna先生
Flex Power Tools Limited	United Kingdom 英國	Dr. Christian Neuner	Christian Neuner博士
Flex Power Tools Middle East Fzco	United Arab Emirate 阿拉伯聯合酋長國	Dr. Christian Neuner Mr. Chadi Kachmar	Christian Neuner博士 Chadi Kachmar先生
SKIL B.V.	Netherlands 荷蘭	Mr. Pan Longquan Mr. Peter John Melrose Chervon (HK) Ltd	潘龍泉先生 Peter John Melrose先生 泉峰(香港)有限公司
Chervon GmbH	Germany 德國	Dr. Christian Neuner Mr. Peter John Melrose	Christian Neuner博士 Peter John Melros先生

Notes:

附註：

- | | |
|--|-----------------------|
| (1) the chief executive officer of Chervon Industry (Vietnam) Co. Ltd; | (1) 泉峰實業(越南)有限公司行政總裁； |
| (2) Resigned during the Reporting Period. | (2) 於報告期內辭任。 |



DIRECTORS' REPORT 董事會報告

In accordance with article 111 of the Articles of Association, Mr. Pan Longquan, Mr. Ke Zuqian and Mr. Jiang Li will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming AGM of the Company.

The Company has not received any notice in writing specifying that the resignation or refusal to stand for election is due to reasons relating to the affairs of the Company from the Directors.

The particulars of Directors who are subject to re-election at the forthcoming AGM are set out in the circular to our Shareholders dated April 26, 2024.

CONFIRMATION OF INDEPENDENCE FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has reviewed the independence of each independent non-executive Director in accordance with Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent as of the date of this Annual Report.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 26 to 36 of this Annual Report.

CHANGES TO DIRECTORS' INFORMATION

Save as disclosed in this Annual Report, there are no changes to any information required to be disclosed in relation to any Director pursuant to paragraphs (a) to (e) and (g) under Rule 13.51(2) of the Listing Rules since the publication of the Company's Interim Report dated September 26, 2023.

根據組織章程細則第111條，潘龍泉先生、柯祖謙先生及蔣立先生將於本公司應屆股東週年大會上輪值退任，並符合資格且願意膺選連任。

本公司並無接獲任何指明董事因與本公司事務有關的原因辭任或拒絕參選的書面通知。

將於應屆股東週年大會上膺選連任之董事詳情載於日期為2024年4月26日致股東之通函。

獨立非執行董事的獨立性確認

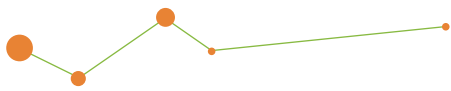
本公司已根據上市規則第3.13條審閱各獨立非執行董事之獨立性。截至本年報日期，本公司認為全體獨立非執行董事均為獨立人士。

董事及高級管理層履歷

本集團董事及高級管理層的履歷詳情載於本年報第26至36頁。

董事資料變動

除本年報所披露外，自本公司日期為2023年9月26日的中期報告刊發以來，根據上市規則第13.51(2)條第(a)至(e)及(g)段須予披露有關任何董事的任何資料概無變動。



DIRECTORS' REPORT

董事會報告

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENTS

Each of the executive Directors has entered into a service contract with the Company on December 8, 2021, and the Company has issued letters of appointment to each of the independent non-executive Directors. The service contracts with each of the executive Directors is for an initial fixed term of three years commencing from December 8, 2021. The letter of appointment with each of the independent non-executive Directors is for an initial fixed term of three years. The service contract and the letters of appointment are subject to termination in accordance with their respective terms. The service contracts and the letters of appointments may be renewed in accordance with the Articles of Association and the applicable Listing Rules.

Save as disclosed above, none of the Directors has entered, or has proposed to enter, a service contract with any member of the Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

EMOLUMENT POLICY

The Remuneration Committee was set up for reviewing the Group's emolument policy and structure of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

In addition, to bind the interests of Shareholders, the Company and employees to focus on the realization of the Company's strategic development objectives and to drive the performance growth and to improve our long-term incentive mechanism, the Company has adopted the 2024 Share Scheme. For further details regarding the 2024 Share Scheme, please refer to section headed "—Event after the Reporting Period" in this Annual Report.

Details of the emoluments of the Directors and the five highest paid individuals during the Reporting Period are set out in notes 8 and 9 to the consolidated financial statements.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Company are set out in notes 6(b) and 31 to the consolidated financial statements.

董事服務合約及委任函

各執行董事已於2021年12月8日與本公司訂立服務合約及本公司已向各獨立非執行董事發出委任函。各執行董事的服務合約初步固定任期為三年，自2021年12月8日開始。各獨立非執行董事的委任函初步固定任期為三年。服務合約及委任函可根據其各自條款予以終止。服務合約及委任函可根據組織章程細則以及適用上市規則重續。

除上文所披露外，概無董事已或擬與本集團任何成員公司訂立任何服務合約（不包括於一年內屆滿或僱主可於一年內終止而無須支付賠償（法定賠償除外）的合約）。

薪酬政策

薪酬委員會已告成立，以根據本集團的經營業績、董事及高級管理層的個人表現及可資比較市場慣例審閱本集團的薪酬政策以及本集團董事及高級管理層架構。

此外，為約束股東、本公司及僱員的利益，以專注於實現本公司的戰略發展目標及推動業績增長及完善我們的長期激勵機制，本公司已採納2024年股份計劃。有關2024年股份計劃的進一步詳情，請參閱本年報「—報告期後事項」一節。

於報告期，董事及五名最高薪酬人士的薪酬詳情載於綜合財務報表附註8及9。

退休及僱員福利計劃

本公司退休及僱員福利計劃的詳情載於綜合財務報表附註6(b)及31。



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

As of December 31, 2023, the interests or short positions of each Director of the Board or chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its 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 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 the interests and short positions which were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") are as follows:

(i) Interest in our Company

Name of Director	董事名稱	Nature of interest 權益性質	Number of shares ⁽¹⁾ 股份數目 ⁽¹⁾	Approximate percentage of shareholding interest ⁽²⁾ 股權概約百分比 ⁽²⁾
Mr. Pan ⁽³⁾	潘先生 ⁽³⁾	Interest in controlled corporation 受控法團權益	260,226,344 (L)	50.92%
Ms. Zhang ⁽⁴⁾	張女士 ⁽⁴⁾	Interest in controlled corporation 受控法團權益	98,335,050 (L)	19.24%
Mr. Ke ⁽⁵⁾	柯先生 ⁽⁵⁾	Interest in controlled corporation 受控法團權益	27,118,822 (L)	5.31%

董事及主要行政人員於股份、相關股份及債券之權益及淡倉

截至2023年12月31日，董事會各董事或本公司最高行政人員於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份或債權證中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文被當作或視為擁有的權益及淡倉），或記錄於本公司根據證券及期貨條例第352條須存置的登記冊或根據上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益及淡倉如下：

(i) 於本公司的權益



DIRECTORS' REPORT

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Notes:

- (1) The letter "L" denotes the person's long position in such shares of the Company.
- (2) As of December 31, 2023, the total number of issued Shares was 511,053,811.
- (3) These shares are held by Panmercy Holdings Limited ("**Panmercy**"), which is wholly owned by Mr. Pan, who is also a director of Panmercy.
- (4) These shares include (i) 97,637,750 Shares held by Green Hope Limited ("**Green Hope**"), which is wholly owned by Ms. Zhang and (ii) 697,300 Shares held by two offshore employee shareholding platforms pursuant to an employee incentive arrangement, of which Ms. Zhang is the sole director. Ms. Zhang is deemed to be interested in these Shares for the purposes of the SFO.
- (5) These shares are held by Klamm Limited ("**Klamm**"), which is wholly owned by Mr. Ke, who is also a director of Klamm.

附註：

- (1) 字母「L」指該人士於本公司該等股份的好倉。
- (2) 截至2023年12月31日已發行股份總數為511,053,811股股份。
- (3) 此等股份由潘先生全資擁有的德潤控股有限公司(「**德潤**」)持有，潘先生亦為德潤董事。
- (4) 此等股份包括(i)翠鴻有限公司(「**翠鴻**」)持有的97,637,750股股份，翠鴻乃由張女士全資擁有及(ii)根據一項僱員激勵安排建立的兩個境外僱員持股平台持有的697,300股股份，張女士為此兩個平台的唯一董事。根據證券及期貨條例，張女士被視為於該等股份中擁有權益。
- (5) 該等股份由宗谷有限公司(「**宗谷**」)持有，宗谷由柯先生全資擁有，彼亦為宗谷董事。

(ii) Interest in our associated corporations

(ii) 於相聯法團中的權益

Name of director	董事名稱	Nature of interest 權益性質	Name of the associated corporation/subsidiary 相聯法團／附屬公司名稱	Approximate percentage of shareholding interest 股權概約百分比
Mr. Pan	潘先生	Interest in controlled corporation 受控法團權益	Chervon Global	66.72%
			Chervon Assets Management Holdings Limited	85.00%
			Chervon Investment Limited	100.00%
			Chervon Capital Management Limited	100.00%
			Chervon Assets Holdings Limited	100.00%
			Chervon (Nanjing) Management Services Co., Ltd.* (泉峰(南京)管理服務有限公司) (“ Chervon Management Services ”) 泉峰(南京)管理服務有限公司(「 泉峰管理服務 」)	100.00%
			Chervon International Trading (南京泉峰國際貿易有限公司) 南京泉峰國際貿易有限公司	85.00%
			Nanjing Jiu hao Electromechanical Industry Co., Ltd. 於南京玖浩機電實業有限公司	100.00%
			Chervon Precision Technology Holdings Company Limited (“ Chervon Precision Technology ”) 泉峰精密技術控股有限公司(「 泉峰精密技術 」)	100.00%
			Chervon China Investment * (泉峰(中國)投資有限公司) 泉峰(中國)投資有限公司	100.00%
			Chervon Auto Precision Technology (南京泉峰汽車精密技術股份有限公司) ⁽¹⁾ 南京泉峰汽車精密技術股份有限公司 ⁽¹⁾	52.29%
			Chervon Auto Precision Technology (Europe) Limited Liability Company 泉峰汽車精密技術(歐洲)有限公司	100.00%
			Chervon Auto Precision Technology (Anhui) Co., Ltd.* (泉峰汽車精密技術(安徽)股份有限公司) (“ Chervon Anhui ”) 泉峰汽車精密技術(安徽)股份有限公司(「 泉峰安徽 」)	100.00%



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董事會報告

Name of director	董事名稱	Nature of interest	Name of the associated corporation/subsidiary	Approximate percentage of shareholding interest
		權益性質	相聯法團／附屬公司名稱	股權概約百分比
Ms. Zhang	張女士	Interest in controlled corporation 受控法團權益	Chervon Global	24.66%
			Chervon Assets Management Holdings Limited	85.00%
			Chervon Investment Limited	100.00%
			Chervon Capital Management Limited Chervon Capital	100.00%
			Chervon Assets Holdings Limited	100.00%
			Chervon Management Services 泉峰管理服務	100.00%
			Chervon International Trading 泉峰國際貿易	85.00%
			Jiuhao Electromechanical 玖浩機電	100.00%
			Chervon Precision Technology 泉峰精密技術	100.00%
			Chervon China Investment 泉峰(中國)投資	100.00%
			Chervon Auto Precision Technology ⁽¹⁾ 泉峰汽車精密技術 ⁽¹⁾	52.29%
			Chervon Auto Precision Technology (Europe) Limited Liability Company 泉峰汽車精密技術(歐洲)有限公司	100.00%
			Chervon Anhui 泉峰安徽	100.00%

Name of director	董事名稱	Nature of interest 權益性質	Name of the associated corporation/subsidiary 相聯法團／附屬公司名稱	Approximate percentage of shareholding interest 股權概約百分比
Mr. Ke	柯先生	Interest in controlled corporation 受控法團權益	Chervon Global	6.85%
			Chervon Assets Management Holdings Limited	85.00%
			Chervon Investment Limited	100.00%
			Chervon Capital Management Limited	100.00%
			Chervon Assets Holdings Limited	100.00%
			Chervon Management Services 泉峰管理服務	100.00%
			Chervon International Trading 泉峰國際貿易	85.00%
			Jiuhao Electromechanical 玖浩機電	100.00%
			Chervon Precision Technology 泉峰精密技術	100.00%
			Chervon China Investment 泉峰(中國)投資	100.00%
			Chervon Auto Precision Technology ⁽¹⁾ 泉峰汽車精密技術 ⁽¹⁾	52.29%
			Chervon Auto Precision Technology (Europe) Limited Liability Company 泉峰汽車精密技術(歐洲)有限公司	100.00%
			Chervon Anhui 泉峰安徽	100.00%

* For identification purposes only



DIRECTORS' REPORT

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Note:

- (1) 52.29% interest in Chervon Auto Precision Technology is represented by 27.55% personal interest in directly held by Mr. Pan, Ms. Zhang and Mr. Ke in Chervon Auto Precision Technology and 24.74% interest held through the Company.

Save as disclosed above, as of December 31, 2023, none of the Directors and the chief executives of the Company had or were deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company under Divisions 7 and 8 of Part XV of the SFO or recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As of December 31, 2023, to the best knowledge of the Directors, the following persons (other than the Directors or the chief executive of the Company) have interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO or which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

附註：

- (1) 於泉峰汽車精密技術的52.29%權益指潘先生、張女士及柯先生於泉峰汽車精密技術間接持有的27.55%個人權益及透過本公司持有的24.74%權益。

除上文所披露外，截至2023年12月31日，概無董事及本公司最高行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中擁有或被視為擁有根據證券及期貨條例第XV部第7及8分部須知會本公司的任何權益或淡倉，或根據證券及期貨條例第352條須記入本公司須存置的登記冊的任何權益或淡倉，或根據標準守則須知會本公司及聯交所的任何權益或淡倉。

主要股東及其他人士於股份及相關股份的權益或淡倉

截至2023年12月31日，就董事所深知，以下人士（本公司董事或最高行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第336條須記入本公司須存置的登記冊的權益或淡倉，或根據證券及期貨條例第XV部第2及3分部須向本公司披露的權益或淡倉：

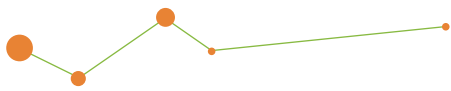
Name of shareholder	股東名稱	Nature of interest 權益性質	Number of shares ⁽¹⁾ 股份數目 ⁽¹⁾	Approximate percentage of interest ⁽²⁾ 權益概約百分比 ⁽²⁾
Panmercy ⁽³⁾	德潤 ⁽³⁾	Beneficial owner 實益擁有人	260,226,344 (L)	50.92%
Green Hope ⁽⁴⁾	翠鴻 ⁽⁴⁾	Beneficial owner 實益擁有人	97,637,750 (L)	19.11%

Name of shareholder	股東名稱	Nature of interest 權益性質	Number of shares⁽¹⁾ 股份數目 ⁽¹⁾	Approximate percentage of interest⁽²⁾ 權益概約百分比 ⁽²⁾
Klamm ⁽⁵⁾	宗谷 ⁽⁵⁾	Beneficial owner 實益擁有人	27,118,822 (L)	5.31%
FMR LLC ⁽⁶⁾	FMR LLC ⁽⁶⁾	Interest in controlled corporation 受控法團權益	51,003,170 (L)	9.98%
FIDELITY INVESTMENT TRUST	FIDELITY INVESTMENT TRUST	Beneficial owner 實益擁有人	31,425,486 (L)	6.15%

Notes:

附註：

- | | | | |
|-----|---|-----|---|
| (1) | The letter "L" denotes the person's long position in such shares of the Company. | (1) | 字母「L」指該人士於本公司該等股份的好倉。 |
| (2) | As of December 31, 2023, the Company's total number of issued Shares was 511,053,811. | (2) | 截至2023年12月31日，本公司已發行股份總數為511,053,811股股份。 |
| (3) | Panmercy is wholly owned by Mr. Pan, who is also a director of Panmercy. | (3) | 德潤由潘先生全資擁有，潘先生亦為德潤董事。 |
| (4) | 97,637,750 Shares are held by Green Hope, which is wholly owned by Ms. Zhang, who is also a director of Green Hope. | (4) | 97,637,750股股份由翠鴻持有，翠鴻由張女士全資擁有，且張女士亦為翠鴻的董事。 |
| (5) | Klamm is wholly owned by Mr. Ke, who is also a director of Klamm. | (5) | 宗谷由柯先生全資擁有，柯先生亦為宗谷的董事。 |
| (6) | FMR LLC holds the Shares through its direct and indirect subsidiaries, including Fidelity Management Trust Company, Fidelity Management & Research Company LLC, FIAM Holdings LLC, FMR Investment Management (UK) Limited, Fidelity Management & Research (Japan) Limited, Fidelity Management & Research (Hong Kong) Limited, FIAM Holdings LLC, Fidelity Institutional Asset Management Trust Company and FIAM LLC. | (6) | FMR LLC透過其直接及間接附屬公司持有股份，包括Fidelity Management Trust Company、Fidelity Management & Research Company LLC、FIAM Holdings LLC、FMR Investment Management (UK) Limited、Fidelity Management & Research (Japan) Limited、Fidelity Management & Research (Hong Kong) Limited、FIAM Holdings LLC、Fidelity Institutional Asset Management Trust Company及FIAM LLC。 |



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Save as disclosed above, as of December 31, 2023, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had interests or short positions 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 which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

RELATIONSHIP WITH STAKEHOLDERS

The Group considers investors, employees, suppliers, society, peers, governments and clients as its key stakeholders. It is committed to building diversified, streamlined mechanisms for communicating with such key stakeholders. Please refer to the Company's 2023 Environmental, Social and Governance Report for further details.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

We set out below a summary of the connected transactions conducted by the Group during the Reporting Period.

Continuing Connected Transactions Fully Exempt from the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements

We set out below a brief summary of the continuing connected transactions fully exempt from the reporting, annual review, announcement and independent shareholder's approval requirements conducted by the Group during the Reporting Period.

除上文所披露外，截至2023年12月31日，董事並不知悉任何人士（並非董事或本公司主要行政人員）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須向本公司披露的權益或淡倉，或根據證券及期貨條例第336條的規定須記入該條所述登記冊的權益或淡倉。

與利益相關方的關係

本集團將投資者、僱員、供應商、社會、同業、政府及客戶等視為主要利益相關者。本集團致力建立多元化及精簡的機制，以與主要利益相關者溝通。有關進一步詳情，請參閱本公司2023年環境、社會及管治報告。

關聯方交易及關連交易

下文載列本集團於報告期內進行的關連交易概要。

獲全面豁免遵守申報、年度審閱、公告及獨立股東批准規定的持續關連交易

下文載列本集團於報告期間進行的獲全面豁免遵守申報、年度審閱、公告及獨立股東批准規定的持續關連交易概要。

Connected Persons of the Company

本公司的關連人士

We have entered into certain transactions that will constitute continuing connected transactions under Rule 14A.31 of the Listing Rules upon Listing. Those transactions are entered into with the following connected persons and their associates:

我們已訂立若干交易，根據上市規則第14A.31條，該等交易將於上市後構成持續關連交易。該等交易乃與下列關連人士及其聯繫人訂立：

Connected person

Connected Relationship

關連人士

關連關係

Chervon Auto Precision Technology
泉峰汽車精密技術

Chervon Auto Precision Technology is owned as to 27.55% by Chervon Precision Technology, which is an indirect subsidiary of Panmercy. As such, Chervon Auto Precision Technology is an associate of Panmercy and therefore our connected person under Rule 14A.13(3) of the Listing Rules.

泉峰汽車精密技術由德潤的間接附屬公司泉峰精密技術擁有27.55%權益。因此，泉峰汽車精密技術為德潤的聯繫人，故根據上市規則第14A.13(3)條為我們的關連人士。

Cheng & Cheng Corporate Services
Limited ("**Cheng & Cheng**")
漢能秘書服務有限公司(「漢能」)

Cheng & Cheng is owned as to 50% by Mr. Cheng Hong Kei (鄭康棋) and 50% by his spouse. Cheng & Cheng is an associate of Mr. Cheng Hong Kei, a director of Chervon (HK) Limited, and therefore our connected person under Rule 14A.12(1)(c) of the Listing Rules.

漢能由鄭康棋先生及其配偶分別擁有50%及50%權益。漢能為泉峰(香港)有限公司董事鄭康棋先生的聯繫人，故根據上市規則第14A.12(1)(c)條為我們的關連人士。

Cheng & Cheng Taxation Services
Limited ("**Cheng & Cheng Taxation**")
鄭鄭稅務有限公司(「鄭鄭稅務」)

Cheng & Cheng Taxation is owned as to 50% by Mr. Cheng Hong Kei (鄭康棋) and 50% by his spouse. Cheng & Cheng Taxation is an associate of Mr. Cheng Hong Kei, a director of Chervon (HK) Limited, and therefore our connected person under Rule 14A.12(1)(c) of the Listing Rules.

鄭鄭稅務由鄭康棋先生及其配偶分別擁有50%及50%權益。鄭鄭稅務為泉峰(香港)有限公司董事鄭康棋先生的聯繫人，故根據上市規則第14A.12(1)(c)條為我們的關連人士。



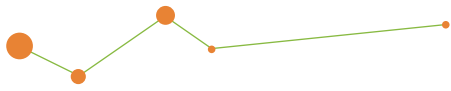
DIRECTORS' REPORT

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- **Nanjing Chervon Auto Precision Technology Factory Lease.** During the Reporting Period, Nanjing Chervon Industry, a wholly-owned subsidiary of the Company (as lessor) performed under a lease agreement with Chervon Auto Precision Technology (the “**Nanjing Chervon Auto Precision Technology Factory Lease**”), pursuant to which Nanjing Chervon Industry leased to Chervon Auto Precision Technology (as lessee) part of its factory of an area of approximately 7,654.22 m² located at No. 159 Jiangjun Avenue, Jiangning District, Nanjing, the PRC. The transactions under the Nanjing Chervon Auto Precision Technology Factory Lease constitute *de minimis* transactions and are exempt from the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.
- **Water Utility Bill Sharing Agreement.** During the Reporting Period, Nanjing Chervon Industry, a wholly-owned subsidiary of the Company, performed under a water utility bill sharing agreement with Chervon Auto Precision Technology (the “**Water Utility Bill Sharing Agreement**”), pursuant to which Nanjing Chervon Industry procured supply of water services in respect of the Factory for the operations of Chervon Auto Precision Technology. Given that (1) the utility supply service is a “consumer service” and (2) the use of the water supply service is on normal commercial terms in our ordinary and usual course of business, the payment for water utility charges under the Water Utility Bill Sharing Agreement on an at-cost basis is fully exempt from the reporting, announcement and independent shareholders’ approval requirements under Rule 14A.97 of the Listing Rules.
- **南京泉峰汽車精密技術廠房租約。**於報告期內，本公司全資附屬公司南京泉峰科技（作為出租人）根據與泉峰汽車精密技術訂立的租賃協議（「**南京泉峰汽車精密技術廠房租約**」）履行責任，據此南京泉峰科技向泉峰汽車精密技術（作為承租人）出租其位於中國南京市江寧區將軍大道159號面積約7,654.22平方米的部分廠房。南京泉峰汽車精密技術廠房租約項下的交易構成符合最低豁免水平的交易，並獲豁免遵守上市規則第14A章項下的申報、公告、年度審閱及獨立股東批准規定。
- **水費共擔協議。**於報告期內，本公司全資附屬公司南京泉峰科技根據與泉峰汽車精密技術的水費共擔協議履行責任（「**水費共擔協議**」），據此，南京泉峰科技為泉峰汽車精密技術的運營採購該廠房的供水服務。鑒於(1)該供水服務為「消費性服務」及(2)我們是在日常及一般業務過程中按一般商業條款使用供水服務，因此，根據水費共擔協議按成本價支付水費獲全面豁免遵守上市規則第14A.97條項下的申報、公告及獨立股東批准規定。



- **Electricity Utility Bill Sharing Agreement.** During the Reporting Period, Nanjing Chervon Industry, a wholly-owned subsidiary of the Company, performed under an electricity utility bill sharing agreement with Chervon Auto Precision Technology (the “**Electricity Utility Bill Sharing Agreement**”), pursuant to which Chervon Auto Precision Technology procured supply of electricity services in respect of the Factory for Company’s operations. Given that (1) the utility supply service is a “consumer service” and (2) the use of the electricity supply service is on normal commercial terms in our ordinary and usual course of business, the payment for electricity utility charges under the Electricity Utility Bill Sharing Agreement on an at-cost basis is fully exempt from the reporting, announcement and independent shareholders’ approval requirements under Rule 14A.97 of the Listing Rules.
- **電費共擔協議。**於報告期間，本公司全資附屬公司南京泉峰科技根據與泉峰汽車精密技術訂立的電費共擔協議履行責任（「**電費共擔協議**」），據此，泉峰汽車精密技術為本公司的運營採購該廠房的供電服務。鑒於(1)該供電服務為「消費性服務」及(2)我們是在日常及一般業務過程中按一般商業條款使用供電服務，因此，根據電費共擔協議按成本價支付電費獲全面豁免遵守上市規則第14A.97條項下的申報、公告及獨立股東批准規定。



DIRECTORS' REPORT

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- **Company Secretarial Services Agreement and Tax Compliance Services Agreement.** During the Reporting Period, the Company performed under a company secretarial services agreement with Cheng & Cheng (the “**Company Secretarial Services Agreement**”), pursuant to which Cheng & Cheng provided company secretarial services, custody of company records and act as the designated representative of certain of the Company’s subsidiaries. The Company also performed under a tax compliance services agreement with Cheng & Cheng Taxation (the “**Tax Compliance Services Agreement**”), pursuant to which Cheng & Cheng Taxation provided routine tax compliance services and prepare profits tax returns and tax computations to Company and certain of its subsidiaries. The transactions under the Company Secretarial Services Agreement and Tax Compliance Services Agreement, when aggregated, constitute *de minimis* transactions and are exempt from the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.
- **公司秘書服務協議及稅務合規服務協議。**於報告期內，本公司根據與漢能訂立的公司秘書服務協議（「**公司秘書服務協議**」）履行責任，據此，漢能提供公司秘書服務、保管公司記錄及擔任本公司若干附屬公司的指定代表。本公司亦根據與鄭鄭稅務訂立的稅務合規服務協議（「**稅務合規服務協議**」）履行責任，據此，鄭鄭稅務向本公司及其若干附屬公司提供例行稅務合規服務並編製利得稅申報表和稅務計算。公司秘書服務協議及稅務合規服務協議項下的交易合併計算時構成符合最低豁免水平的交易，並獲豁免遵守上市規則第14A章項下的申報、公告、年度審閱及獨立股東批准規定。

Details of the related party transactions undertaken in the normal course of business are provided under note 36 to the consolidated financial statements. Save as disclosed in note 36 to the consolidated financial statements, pursuant to Chapter 14A of the Listing Rules, none of such related party transactions constitutes a connected transaction or continuing connected transaction (as the case may be).

於日常業務過程中進行的關聯方交易詳情載於綜合財務報表附註36。除綜合財務報表附註36所披露外，根據上市規則第14A章，該等關聯方交易概無構成關連交易或持續關連交易（視情況而定）。



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

Save as the related party transactions as disclosed in note 36 to the consolidated financial statements and the section headed "—Related Party Transactions and Connected Transactions" in this Annual Report, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director and/or any of its connected entity had a material interest, whether directly or indirectly, and no transaction, arrangement or contract of significance between the Company or any of its subsidiaries and the Company's controlling Shareholders or any of their subsidiaries, subsisted at the end of the year or at any time during the year ended December 31, 2023.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Reporting Period was the Company or its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Reporting Period.

董事及控股股東於重大交易、安排或合約的股權

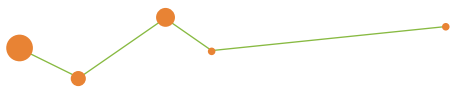
除綜合財務報表附註36及本年報「—關聯方交易及關連交易」一節所披露的關聯方交易外，本公司或其任何附屬公司概無訂立董事及／或其任何關連實體於其中擁有重大權益（無論直接或間接）的任何重大交易、安排或合約，本公司或其任何附屬公司與本公司控股股東或其任何附屬公司概無訂立於年末或截至2023年12月31日止年度內任何時間存續的任何重大交易、安排或合約。

董事收購股份或債權證的權利

報告期內任何時間，本公司或其附屬公司概無訂立任何安排，使董事可藉收購本公司或任何其他法團的股份或債權證而獲得利益，且董事或其任何配偶或未滿18歲子女概無獲授予任何認購本公司或任何其他法團的權益或債務證券的權利或已經行使任何有關權利。

管理合約

報告期內，概無訂立或存在有關本公司全部或任何重要部分業務管理及行政合約。



DIRECTORS' REPORT

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DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Reporting Period and up to the date of this Annual Report, none of the Directors or their respective associates (as defined under the Listing Rules) had engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the business of the Group which would require disclosure under Rule 8.10 of the Listing Rules.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Articles of Association and subject to applicable laws, the Company has arranged for appropriate insurance to cover all costs, charges, losses, expenses and liabilities incurred by any Directors or officers in the execution and discharge of his duties or in relation thereto. The relevant provisions in the Articles of Association and such directors and officers liability insurance were in force during the Reporting Period and as of the date of this Annual Report.

PUBLIC FLOAT

The Company has applied to the Stock Exchange to request the Stock Exchange to exercise its discretion under Rule 8.08(1)(d) of the Listing Rules, and the Stock Exchange has granted to the Company, a waiver from strict compliance with the requirements under Rule 8.08(1)(a) of the Listing Rules. Based on the information that is publicly available to the Company and to the best knowledge of the Directors, at least 18.43% (being the minimum public float prescribed by the Stock Exchange and the Listing Rules) of the Company's entire issued share capital were held by the public as of the date of this Annual Report.

EVENT AFTER THE REPORTING PERIOD

Adoption of 2024 Share Scheme

On January 29, 2024, the Board proposed to adopt a share scheme under Chapter 17 of the Listing Rules (the "2024 Share Scheme"). The resolution for adopting the 2024 Share Scheme was passed in an extraordinary general meeting of the Company held on February 20, 2024.

As of the date of this report, no share was granted, exercised, cancelled or lapsed under the 2024 Share Scheme.

董事於競爭業務的權益

報告期內且直至本年報日期，概無董事或彼等各自的聯繫人（定義見上市規則）從事直接或間接與本集團業務構成競爭或可能構成競爭的任何業務，或於該等業務中擁有任何權益而須根據上市規則第8.10條予以披露。

獲准許賠償條文

根據組織章程細則及受適用法律所規限，本公司已安排合適保險以涵蓋任何董事或高級職員在執行及履行其職責或與此有關產生的所有成本、費用、虧損、開支及責任。報告期內及截至本年報日期，組織章程細則的相關條文及上述董事及高級職員責任保險已生效。

公眾持股量

本公司已向聯交所申請，要求聯交所根據上市規則第8.08(1)(d)條行使其酌情權，而聯交所已向本公司授出豁免嚴格遵守上市規則第8.08(1)(a)條規定。根據本公司所得的公開資料及就董事所深知，截至本年報日期，本公司至少18.43%（聯交所及上市規則規定的最低公眾持股量）的全部已發行股本由公眾持有。

報告期後事項

採納2024年股份計劃

於2024年1月29日，董事會建議根據上市規則第17章採納股份計劃（「2024年股份計劃」）。採納2024年股份計劃的決議案已於2024年2月20日舉行的本公司股東特別大會上通過。

截至本報告日期，概無股份根據2024年股份計劃獲授出、行使、註銷或失效。



The following sets forth a summary of the principal terms of the 2024 Share Scheme. For further details regarding the 2024 Share Scheme, please refer to the Company's circular dated February 2, 2024. The summary does not form, nor is intended to be, part of the 2024 Share Scheme nor should it be taken as affecting the interpretation of the rules of the 2024 Share Scheme. Unless context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the Company's circular dated February 2, 2024.

(a) *Purpose*

The purposes of the 2024 Share Scheme are: (1) to bind the interests of the Shareholders, the Company and its employees to focus on the realization of the Company's strategic development objectives and to drive performance growth; and (2) to improve the Group's long-term incentive mechanism to attract and retain outstanding talents and to fully mobilize the senior management team and core employees.

(b) *Eligible Participants*

Eligible Participants of the 2024 Share Scheme include: (1) full-time and part-time employees, and directors of the Company or any of its subsidiaries (including persons who are granted Options or Awards under the 2024 Share Scheme as an inducement to enter into employment contracts with these companies) (the "**Employee Participants**"); (2) the directors and employees (whether full-time, part-time or other employment arrangement) of the holding companies, fellow subsidiaries or associated companies of the Company (the "**Related Entity Participants**"); and (3) the independent service providers, suppliers, subcontractors and consultants who are the participants (the "**Service Provider Participants**").

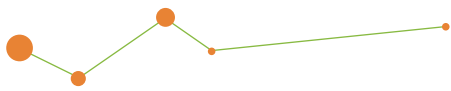
下文載列2024年股份計劃的主要條款概要。有關2024年股份計劃的進一步詳情，請參閱本公司日期為2024年2月2日的通函。該概要並不構成亦不擬構成2024年股份計劃的一部分，亦不應被視為影響2024年股份計劃規則的詮釋。除文義另有所指外，本年報所用詞彙與本公司日期為2024年2月2日的通函所界定者具有相同涵義。

(a) *目的*

2024年股份計劃的目的為：(1)將股東利益、本公司利益及其員工利益結合在一起，使其關注本公司戰略發展目標的實現，推動業績增長；及(2)健全本集團長期激勵機制，吸引和留住優秀人才，充分調動高管團隊及核心骨幹的積極性。

(b) *合資格參與者*

2024年股份計劃的合資格參與者包括：(1)本公司或其任何附屬公司之全職及兼職僱員以及董事（包括根據2024年股份計劃獲授購股權或獎勵以吸引與該等公司訂立僱傭合約之人士）（「**僱員參與者**」）；(2)本公司控股公司、同系附屬公司或聯營公司的董事及僱員（無論全職、兼職或其他僱傭安排）（「**關連實體參與者**」）；及(3)作為參與者的獨立服務提供者、供應商、分包商及顧問（「**服務提供者參與者**」）。



DIRECTORS' REPORT

董事會報告

(c) *Maximum Number of New Shares to Be Issued In Respect of the Options and Awards*

The total number of shares which may be issued upon exercise of all Options to be granted under the 2024 Share Scheme and any other share option schemes of the Company (the “**Scheme Mandate Limit**”) generally shall not in aggregate exceed 51,105,381 Shares, representing 10% of the total number of the Shares in issue as of the date on which the 2024 Share Scheme is adopted by resolution of the Shareholders. The Company may seek the approval of the Shareholders in a general meeting for “refreshing” the Scheme Mandate Limit and the Service Provider Participant Sublimit under the 2024 Share Scheme after three years from the date of Shareholders’ approval for the adoption of the 2024 Share Scheme or the last refreshment, whichever is later. The Scheme Mandate Limit represents 10% of the total number of the Shares in issue as of the date of this report.

(d) *Maximum Entitlement of Shares of Individual Participants*

Where any grant of Options or Awards to a participant would result in the new Shares issued and to be issued in respect of all Options and Awards, and other options and awards granted to such person (excluding any Options and Awards lapsed in accordance with the terms of the 2024 Share Scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such participant and his or her close associates (or, if the participant is a connected person, associates) abstaining from voting. The Company must send a circular to the Shareholders in connection therewith.

(e) *Exercise Period*

The Board may determine in its absolute discretion the Exercise Period for any award of Options and/or Awards and such period shall be set out in an offer letter. However, the Exercise Period for any award of Options must not be longer than 10 years from the Grant Date.

(c) *就購股權及獎勵將予發行新股份之最多數目*

根據2024年股份計劃及本公司任何其他購股權計劃將予授出的所有購股權獲行使後可能發行的股份總數（「**計劃授權限額**」）一般不得超過51,105,381股股份，相當於股東通過決議案採納2024年股份計劃當日已發行股份總數的10%。自股東批准採納2024年股份計劃當日或上次更新起三年後（以較晚者為準），本公司可能於股東大會尋求股東批准「更新」2024年股份計劃項下之計劃授權限額及服務提供者參與者分項限額。計劃授權限額相當於截至本報告日期已發行股份總數的10%。

(d) *個別參與者可獲授股份之上限*

倘向一名參與者授出任何購股權或獎勵將導致就授予有關人士之所有購股權及獎勵以及其他購股權及獎勵（不包括根據2024年股份計劃條款失效之任何購股權及獎勵）而已經及將予發行之新股份於直至有關授出當日止12個月期間（包括該日）合共超過已發行股份之1%，則有關授出必須於股東大會上由股東另行批准，而有關參與者及其緊密聯繫人（或倘參與者為關連人士，則為聯繫人）須放棄表決。本公司須就此向股東發出通函。

(e) *行使期*

董事會可全權酌情釐定任何購股權獎勵及／或獎勵的行使期，而該期間須載於要約函內。然而，任何購股權獎勵的行使期不得超過授出日期起計10年。



(f) *Exercise Price*

The Exercise Price at which an Option holder may subscribe for Shares upon the exercise of an Option shall be determined by the Board in its absolute discretion, and shall be at least the higher of: (1) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the Board meeting for proposing an offer for the grant of an Option or an Award (the "**Offer Date**"), which must be a Business Day; and (2) the average closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date.

The Board may in its absolute discretion determine whether the Award holder is required to pay any price to acquire the Award Shares (the "**Purchase Price**") and, if so required, the amount of the Purchase Price, after taking into account the practices of comparable companies and the effectiveness of the 2024 Share Scheme in attracting talents and motivating the Award holder to contribute to the long-term development of the Group. For the avoidance of doubt, the Board may determine the Purchase Price to be nil.

(g) *Vesting Period*

Under the 2024 Share Scheme, the Board has absolute discretion to set a minimum period (the "**Vesting Period**") for which an Option or Award has to be held before it is vested. The Vesting Period shall not be less than 12 months provided that the Options or Awards granted to Employee Participants may be subject to a shorter Vesting Period under certain specific circumstances. For Related Entity Participants and Service Provider Participants, the Vesting Period shall not be less than 12 months in any event.

(h) *Duration*

The 2024 Share Scheme will remain valid and effective for a period of ten years commencing on the date on which the 2024 Share Scheme is adopted, after which period no further Options will be granted but the provisions of the 2024 Share Scheme shall in all other respects remain in full force and effect and Options which are granted during the life of the 2024 Share Scheme may continue to be exercisable in accordance with their terms of issue.

(f) *行使價*

購股權持有人行使購股權後可認購股份之行使價將由董事會全權酌情釐定，且不得低於下列各項之較高金額：(1)聯交所每日報價表所報股份於建議授出購股權或獎勵的要約的董事會會議日期（「**要約日期**」，須為營業日）之收市價；及(2)聯交所每日報價表所報股份於緊接要約日期前五個營業日之平均收市價。

經計及可資比較公司的慣常做法以及2024年股份計劃在吸引人才及激勵獎勵持有人為本集團長遠發展作出貢獻方面之有效性後，董事會可全權酌情釐定獎勵持有人是否須支付任何價格以收購獎勵股份（「**購買價**」）及（倘需要）購買價金額。為避免疑問，董事會可釐定購買價為零。

(g) *歸屬期*

根據2024年股份計劃，董事會可全權酌情制定購股權或獎勵歸屬前須持有之最短期間（「**歸屬期**」）。歸屬期不得少於12個月，惟向僱員參與者授出之購股權或獎勵之歸屬期在若干特定情況下可縮短。對於關連實體參與者及服務提供者參與者，歸屬期無論如何不得少於12個月。

(h) *期限*

2024年股份計劃將自其獲採納當日起計十年期間內維持有效及生效，於該期間後將不會進一步授出購股權，惟2024年股份計劃的條文於所有其他方面仍具十足效力及效用，而於2024年股份計劃有效期內授出的購股權可根據其發行條款繼續行使。



DIRECTORS' REPORT

董事會報告

Except as disclosed above, as of the date of this report, the Group has no important events which occurred after the end of the Reporting Period that required to be disclosed.

AUDIT COMMITTEE

The audit committee of the Company (“**Audit Committee**”) has jointly reviewed with the Board the accounting principles and practices adopted by the Group, and discussed the Group’s internal controls and financial reporting matters with the management. The Audit Committee has reviewed and discussed the annual results of the Group for the Reporting Period.

AUDITOR

KPMG was appointed as auditor of the Company for the Reporting Period.

KPMG shall retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming AGM. There was no change in the auditor of the Company in the preceding three years.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high level of corporate governance practices. Details of the corporate governance practices adopted by the Company are set out in the section headed “Corporate Governance Report” on pages 71 to 100 of this Annual Report.

By Order of the Board

Pan Longquan

Executive Director, Chairman and Chief Executive Officer
Hong Kong, March 27, 2024

除上文所披露者外，截至本報告日期，本集團並無於報告期末後發生須予披露的重大事項。

審核委員會

本公司審核委員會（「**審核委員會**」）已與董事會共同審閱本集團採納的會計原則及慣例，並與管理層討論本集團的內部控制及財務報告事宜。審核委員會已審閱及討論本集團報告期內的年度業績。

核數師

畢馬威會計師事務所獲委任為本公司報告期內的核數師。

畢馬威會計師事務所將退任，惟符合資格並願意膺選連任。續聘畢馬威會計師事務所為本公司核數師的決議案將於應屆股東週年大會上提呈。於過去三年，本公司核數師並無變動。

企業管治

本公司致力維持高水平的企業管治常規。本公司所採納之企業管治常規詳情載於本年報第71至100頁的「企業管治報告」一節。

承董事會命

潘龍泉

執行董事、董事長及行政總裁
香港，2024年3月27日



CORPORATE GOVERNANCE REPORT

企業管治報告

The Board is pleased to report to the Shareholders on the corporate governance of the Company during the Reporting Period.

CORPORATE GOVERNANCE PRACTICES

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Group as it believes that an effective corporate governance framework is fundamental to promoting and safeguarding interests of Shareholders and other stakeholders and enhancing Shareholder value. Accordingly, the Company has adopted and applied corporate governance principles and practices that emphasize a quality board of Directors, effective risk management and internal control systems, stringent disclosure practices, transparency and accountability as well as effective communication and engagement with Shareholders and other stakeholders. It is, in addition, committed to continuously enhancing these standards and practices and inculcating a robust culture of compliance and ethical governance underlying the business operations and practices across the Group.

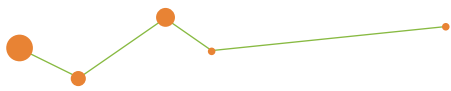
The Company has adopted the Corporate Governance Code set out in Appendix C1 of the Listing Rules (the “CG Code”) as its own code of corporate governance. Save as disclosed in this Annual Report, the Company has complied with all applicable code provisions under the CG Code during the Reporting Period. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

董事會欣然向股東報告本公司報告期內的企業管治。

企業管治常規

本公司相信有效的企業管治架構是提高及保障股東及其他持份者權益與提升股東價值的基本要素，因此致力達致及維持最符合本集團需要及利益的高水平企業管治。因此，本公司已採納及應用企業管治原則及常規，強調具備一個優秀的董事會、有效的風險管理及內部控制系統、嚴格的披露常規、透明度及問責性，以及與股東及其他持份者進行有效的溝通及互動。此外，本集團致力不斷提升該等標準及常規，並建立穩健的合規及道德管治文化，以配合本集團的業務營運及常規。

本公司已採納上市規則附錄C1所載的企業管治守則（「企業管治守則」）作為其本身的企業管治守則。除本年報所披露者外，本公司於報告期內已遵守企業管治守則項下的所有適用守則條文。本公司將繼續檢討及監察其企業管治常規，以確保遵守企業管治守則。



CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD

Corporate Culture and Strategy

The Group instills a culture that respects and promotes creativity, opportunities to exchange ideas and cross-fertilization of innovative advancements and solutions. The Board sets the tone and shapes the corporate culture of the Company, which is underpinned by the core values of acting lawfully, ethically and responsibly across all levels of the Group. The Board plays a leading role in defining the purpose, values and strategic direction of the Group and in fostering a culture that is forward-looking, change-embracing and competitiveness-focused. The desired culture is developed and reflected consistently in the operating practices of the Group, workplace policies and practices as well as relations with stakeholders. The Board's oversight of culture encompasses a range of measures and tools over time, including workforce engagement, employee retention and training, stringent financial reporting, effective and accessible whistleblowing framework, legal and regulatory compliance (including compliance with the Code of Conduct and group policies), as well as staff safety, well-being and support. Taking into account the corporate culture in a range of contexts, the Board considers that the culture and the purpose, value and strategy of the Group are aligned.

Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation 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 Remuneration Committee and the Nomination Committee (collectively, the "**Board Committees**"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors have carried out their duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its Shareholders at all times.

The Company has arranged appropriate insurance coverage in respect of liability arising from legal action against its Directors, and will conduct an annual review on such insurance coverage.

董事會

企業文化及策略

本集團推崇尊重及激發創新、交流想法的機會及交叉分享創新進步及解決方案的文化。董事會為本公司的企業文化定調，並以本集團於所有層面合法、合乎道德及負責的核心價值觀為基礎。董事會在界定本集團的宗旨、價值觀及策略方向，以及培育具前瞻性、擁抱變化及著重競爭力的文化方面發揮領導作用。本集團在營運常規、工作場所政策及常規以及與持份者的關係中建立及貫徹反映所需文化。長期以來，董事會對文化的監督包含一系列措施及工具，包括員工參與、員工留任及培訓、嚴格的財務報告、有效及可用的舉報框架、法律及監管合規（包括遵守行為守則及集團政策）以及員工安全、福祉及支持。經考慮一系列情況下的企業文化，董事會認為本集團的文化與宗旨、價值觀及策略一致。

職責

董事會負責本集團的整體領導、監督本集團的戰略決策及監控業務與表現。董事會已授權本集團高級管理層負責本集團的日常管理及營運。為監督本公司事務的特定方面，董事會已成立三個董事委員會，包括審核委員會、薪酬委員會及提名委員會（統稱「**董事委員會**」）。董事會已向董事委員會授權彼等各自職權範圍所載的職責。

全體董事須本著真誠、遵守適用法律法規，且始終以符合本公司及股東利益的方式履行職責。

本公司已就針對董事的法律訴訟安排適當責任保險，並將每年審視該保險的保障範圍。

Board Composition

As of December 31, 2023 and up to the date of this Annual Report, the Board comprised seven Directors, including four executive Directors and three independent non-executive Directors as set out below:

Executive Directors

Mr. Pan Longquan (*Chairman, Chief Executive Officer and member of Nomination Committee*)
Ms. Zhang Tong
Mr. Ke Zuqian
Mr. Michael John Clancy

Independent Non-Executive Directors

Mr. Tian Ming (*Chairperson of Remuneration Committee and members of Audit and Nomination Committees*)
Dr. Li Minghui (*Chairperson of Audit Committee and member of Remuneration Committee*)
Mr. Jiang Li (*Chairperson of Nomination Committee and member of Audit Committee*)

The biographies of the Directors are set out under the section headed “Biographical Details of Directors and Senior Management” of this Annual Report.

The Board considers that the composition of the Board provides a strong independent element with a balance of skills, experience and diversity of perspectives appropriate for the requirements of the business of the Company.

During the Reporting Period and up to the date of this Annual Report, the Board has met at all times the requirements under Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise.

During the Reporting Period and up to the date of this Annual Report, the Company has also complied with Rule 3.10A of the Listing Rules, which relates to the appointment of independent non-executive directors representing at least one-third of the Board.

董事會組成

截至2023年12月31日且直至本年報日期，董事會由七名董事組成，包括四名執行董事及三名獨立非執行董事，載列如下：

執行董事

潘龍泉先生
(*董事長、行政總裁兼提名委員會成員*)
張彤女士
柯祖謙先生
Michael John Clancy先生

獨立非執行董事

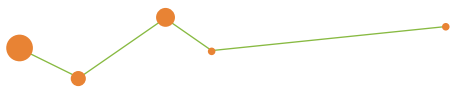
田明先生(*薪酬委員會主席以及
審核委員會及提名委員會成員*)
李明輝博士(*審核委員會主席及薪酬委員會成員*)
蔣立先生(*提名委員會主席及審核委員會成員*)

董事履歷載於本年報「董事及高級管理層履歷詳情」一節。

董事會認為，董事會的組成能確保董事會擁有強效之獨立性，具備切合本公司業務所需的技能、經驗及多元化觀點。

報告期內且直至本年報日期，董事會一直遵守上市規則第3.10(1)及3.10(2)條有關委任至少三名獨立非執行董事的規定，其中至少一名獨立非執行董事擁有適當專業資格或會計或相關財務管理專業知識。

報告期內且直至本年報日期，本公司亦已遵守上市規則第3.10A條有關委任佔董事會人數至少三分之一的獨立非執行董事規定。



CORPORATE GOVERNANCE REPORT

企業管治報告

Each of the independent non-executive Directors has confirmed his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent as of the date of this Annual Report.

Save as disclosed in the biographies of the Directors as set out in the section headed “Biographical Details of Directors and Senior Management” of this Annual Report, none of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship) with any other Directors or any chief executive.

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

As regards the code provision under the CG Code requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved to the issuer, the Directors have agreed to disclose their commitments to the Company in a timely manner.

Board Independence Evaluation

The Company has established a Board Independence Evaluation Mechanism which sets out the mechanisms to ensure a strong independent element on, and independent views and input are available to, the Board. The mechanisms cover, among other topics, (i) appointment of independent non-executive directors to the Board and Board committees, (ii) independence assessments conducted by the Nomination Committee and (iii) Board decision-making process. We believe these mechanisms will enable the Board effectively exercises independent judgment to better safeguard the Shareholders’ interests. During the Reporting Period, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.

各獨立非執行董事已根據上市規則第3.13條確認其獨立性，而本公司認為彼等截至本年報日期均為獨立人士。

除本年報「董事及高級管理層履歷詳情」一節所載董事履歷披露外，概無董事與任何其他董事或任何主要行政人員有任何個人關係（包括財務、業務、家族或其他重大／相關關係）。

全體董事（包括獨立非執行董事）均為董事會帶來各種不同的寶貴營商經驗、知識及專長，使其有效率及有效地運作。獨立非執行董事應邀於審核委員會、薪酬委員會及提名委員會任職。

鑒於企業管治守則條文要求董事披露於上市公司或機構所持職務的數量及性質及其他重大承擔，以及彼等的身份及於發行人任職的時間，故董事已同意及時向本公司披露彼等的承擔。

董事會獨立性評估

本公司已設立董事會獨立性評估機制，當中載有確保董事會具備強大的獨立元素及獲得獨立的觀點與意見的機制。該機制涵蓋（其中包括）(i)委任獨立非執行董事加入董事會及董事委員會；(ii)提名委員會進行的獨立性評估；及(iii)董事會決策過程。我們認為，該等機制將使董事會能夠有效地作出獨立判斷，以更好地保障股東的利益。於報告期內，董事會已檢討董事會獨立性評估機制的實施及成效，結果令人滿意。

Board Diversity Policy

To enhance the effectiveness of the Board and to maintain the high standard of corporate governance, we have adopted the board diversity policy (the “**Board Diversity Policy**”) on December 8, 2021, which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to Board Diversity Policy, we seek to achieve board diversity by taking into consideration of various factors and objective criteria, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service.

The Company will also take into account factors relating to its own business model and specific needs from time to time. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining the Company’s competitive advantage and enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent.

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

- (A) at least one member of the Board shall be female;
- (B) at least one-third of the members of the Board shall be independent non-executive Directors;
- (C) at least one of the members of the Board shall have obtained accounting or other professional qualifications;
- (D) at least 80% of the members of the Board shall have more than 15 years of experience in the industry he/she is specialized in; and
- (E) at least one member of the Board shall have overseas work experience.

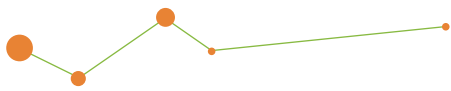
董事會多元化政策

為提高董事會的效率及維持高標準的企業管治，我們已於2021年12月8日採納董事會多元化政策（「**董事會多元化政策**」），當中載列實現及維持董事會多元化的目標及方法。根據董事會多元化政策，我們力求通過考慮多項因素及客觀準則實現董事會多元化，包括但不限於專業經驗、技能、知識、性別、年齡、文化及教育背景、種族及服務年限。

本公司亦會考慮有關自身業務模式及不時的特殊需求之因素。本公司認同並重視擁有多元化董事會成員的裨益，並認為提供董事會層面的多元化（包括性別多元化）是維持本公司競爭優勢及盡可能更好地吸引、挽留及激勵優秀人才重要因素。

就實施董事會多元化政策而言，已採用以下可計量目標：

- (A) 至少一名董事會成員須為女性；
- (B) 至少三分之一董事會成員須為獨立非執行董事；
- (C) 至少一名董事會成員須獲得會計或其他專業資格；
- (D) 至少80%董事會成員須於其專業行業內擁有十五年以上經驗；及
- (E) 至少一名董事會成員須擁有境外工作經驗。



CORPORATE GOVERNANCE REPORT

企業管治報告

As of the date of this Annual Report, the seven Directors of the Company have a balanced mix of knowledge, skills and experience, including the areas of accounting, asset management, consumer goods and computer industries. They obtained academic degrees in various majors, including business administration, accounting, computer and marketing. We have three independent non-executive Directors with different industry backgrounds, representing more than one-third of the members of our Board. Furthermore, our Board has a wide range of age, ranging from 50 years old to 68 years old. We currently have one female Director and one female member of senior management, and will continue to take steps to further promote gender diversity at all levels of our Company, including but not limited to the Board and management levels. In addition, the range of length of service of the Directors is between 2 and 25 years, balancing the needs for both fresh perspectives and leadership continuity. The Directors also have a range of ethnicity background and cross-border work experience. While we recognize that the diversity at the Board can be further improved, we will continue to apply the principle of appointments based on merits, with reference to our Board Diversity Policy.

Our Nomination Committee is responsible for ensuring the diversity of our Board members and compliance with relevant codes governing board diversity under the CG Code. Our Nomination Committee will review and revisit the Board Diversity Policy and our diversity profile (including gender balance) at least once annually to ensure its continued effectiveness and discuss any revisions that may be required, and recommend any such revisions to our Board for consideration and approval. We will also disclose in our Corporate Governance Report regarding the implementation of the Board Diversity Policy on an annual basis. At present, the Nomination Committee considers that the diversity of the Board is sufficient.

截至本年報日期，本公司七名董事擁有各種知識、技能及經驗，包括會計、資產管理、消費品及計算機行業領域。彼等於多個專業獲得學位，包括工商管理、會計、計算機及市場營銷。我們擁有三名具有不同行業背景的獨立非執行董事，佔董事會成員的三分之一以上。此外，董事會年齡範圍廣泛，介乎50歲至68歲。我們現有一名女性董事及一名女性高級管理層成員，且將繼續採取措施進一步促進本公司所有層面的性別多元化，包括但不限於董事會及管理層層面。此外，董事服務期限介乎2至25年，以平衡新視角及領導連續性的需求。董事亦具有不同的民族背景及跨境工作經驗。儘管我們認識到董事會多元化可以改善，但我們將繼續參照董事會多元化政策採用任人唯賢的原則。

提名委員會負責遵守企業管治守則項下確保董事會成員的多元化及規管董事會多元化的相關守則。提名委員會將至少每年進行一次董事會多元化政策及多元化概況（包括性別平衡）的回顧和檢討，以確保其持續有效，並討論可能需要的任何修訂，以及向董事會建議任何有關修訂以供審批。我們亦將每年於我們的企業管治報告中披露董事會多元化政策的實施情況。提名委員會現認為董事會多元化屬充分。

The Board had targeted to achieve and had achieved at least one female Director, one member of female senior management and appropriate balance of female employees of the Group and considers that the Company's current gender diversity is satisfactory. The Nomination Committee will continue to identify suitable female candidate(s) for appointment to the Board based on merits against objective criteria. Details on the gender ratio of the Group together with relevant data can be found in the Company's 2023 Environmental, Social and Governance Report to be published separately.

Training and Continuous Professional Development

Each newly appointed Directors would be provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. The Company also arranges regular seminars to provide the Directors with updates on the latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has from time to time updated and provided the Directors with written training materials in relation to their roles, functions and duties.

During the Reporting Period, all Directors have been given the training regarding the directors' duties and responsibilities, corporate governance and regulatory updates and relevant reading materials including compliance manual/legal and regulatory updates/seminar handouts have been provided to the Directors for their reference and studying.

董事會有計劃實現並已實現本集團至少一名女性董事、一名女性高級管理層成員及適當比例女性僱員的目標，並認為本公司現有性別多元化令人滿意。提名委員會將根據客觀標準持續物色合適的女性候選人以供董事會任命。本集團性別比例詳情及相關數據見於本公司將單獨刊發的2023年環境、社會及管治報告。

培訓及持續專業發展

每名新委任的董事均獲提供必要的入職培訓及資料，以確保其對本公司的營運及業務以及其於相關法規、法律、規則及規例下的責任有適當程度的了解。本公司亦會定期安排研討會，不時向董事提供上市規則及其他相關法律及監管規定最新發展及變動的更新資料。董事亦定期獲提供有關本公司業績、狀況及前景的更新資料，以便董事會整體及各董事履行其職責。

本公司鼓勵董事參與持續專業發展，以發展及更新其知識及技能。本公司不時更新及向董事提供有關彼等角色、職能及職責的書面培訓材料。

於報告期內，全體董事已接受有關董事職責及責任、企業管治及監管更新的培訓，而相關閱讀材料（包括合規手冊／法律及監管更新／研討會講義）已提供予董事以供彼等參考及學習。



CORPORATE GOVERNANCE REPORT

企業管治報告

Based on the information provided by the Directors, during the Reporting Period, the Directors received the following trainings and updates:

根據董事提供的資料，報告期內，董事已接受以下培訓及更新：

Name of Directors	董事名稱	Attending seminars and/or conferences and/or forums relation to rules and regulations or duties of the directors 出席有關規則及規例或董事職責之研討會及／或會議及／或論壇	Reading newspapers, journals and updates relating to the economy and business management and duties of directors 閱讀有關經濟及業務管理以及董事職責之報章、期刊及最新資料
Executive Directors	執行董事		
Mr. Pan Longquan	潘龍泉先生	✓	✓
Ms. Zhang Tong	張彤女士	✓	✓
Mr. Ke Zuqian	柯祖謙先生	✓	✓
Mr. Michael John Clancy	Michael John Clancy先生	✓	✓
Independent Non-executive Directors	獨立非執行董事		
Mr. Tian Ming	田明先生	✓	✓
Dr. Li Minghui	李明輝博士	✓	✓
Mr. Jiang Li	蔣立先生	✓	✓

Chairman and Chief Executive Officer

Provision C.2.1 of the CG Code requires that the roles of chairman and chief executive officer be separate and not be performed by the same individual.

However, the Company does not have separate chairman and chief executive officer roles, and the responsibilities of both chairman and chief executive officer vest in Mr. Pan Longquan. The Board believes that vesting the responsibilities of both chairman and chief executive officer in the same person has the benefit of ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group. Besides, with three independent non-executive Directors out of a total of seven Directors on the Board, there will be sufficient independent voice within the Board to protect the interests of the Company and the Shareholders as a whole.

主席及行政總裁

企業管治守則第C.2.1條要求主席與行政總裁的角色應有區分，並不應由一人同時兼任。

然而，本公司並無區分主席及行政總裁，而主席及行政總裁的職責均由潘龍泉先生承擔。董事會相信，由同一人兼任主席及行政總裁的職責，可確保本集團內部領導貫徹一致，使本集團的整體策略規劃更有效及更具效率。此外，董事會合共七名董事中有三名獨立非執行董事，董事會內將有足夠的獨立意見，以保障本公司及股東的整體利益。

Therefore, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

Appointment and Re-Election of Directors

Each of Mr. Pan Longquan, Ms. Zhang Tong, Mr. Ke Zuqian and Mr. Michael John Clancy, each an executive Director, has entered into an executive director service agreement with the Company for an initial fixed term of three years commencing from December 8, 2021 and subject to termination in accordance with their respective terms and may be renewed in accordance with the Articles of Association and the applicable Listing Rules.

Each of Mr. Tian Ming, Dr. Li Minghui and Mr. Jiang Li, each an independent non-executive Director, has entered into a letter of appointment with the Company for an initial fixed term of three years commencing from December 8, 2021 and subject to termination in accordance with their respective terms.

Save as disclosed above, none of the Directors has entered into, or has proposed to enter into, a service contract or letter of appointment with the Group (other than contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

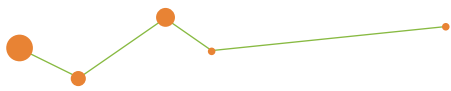
因此，董事會認為，現行安排不會損害權力與權限之間的平衡，而此架構將使本公司能夠迅速及有效地作出及實施決策。董事會將繼續進行檢討，並會在計及本集團整體情況後考慮於適當時候將董事會主席與本公司行政總裁的角色分開。

委任及重選董事

執行董事潘龍泉先生、張彤女士、柯祖謙先生及 Michael John Clancy 先生各自已與本公司訂立執行董事服務協議，自2021年12月8日起初步固定任期為三年，可根據彼等各自的條款予以終止，並可根據組織章程細則及適用上市規則予以續期。

獨立非執行董事田明先生、李明輝博士及蔣立先生各自已與本公司訂立委任函，自2021年12月8日起初步固定任期為三年，可根據彼等各自的條款予以終止。

除上文所披露外，概無董事已與或擬與本集團訂立服務合約或委任函（不包括於一年內屆滿或可由僱主於一年內終止而毋須支付賠償（法定賠償除外）的合約）。



CORPORATE GOVERNANCE REPORT 企業管治報告

Pursuant to Article 111(a) of the Articles of Association, subject to the provisions of the Articles of Association, at each AGM one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but greater than one-third, shall retire from office by rotation. Subject to the provisions of the Ordinance, the Listing Rules and the Articles of Association, the Directors to retire in every year shall be those who have been longest in office since their last election, and as between persons who became Directors on the same day, the Directors to retire shall (unless they otherwise agree between themselves) be determined by lot. Every Director, including those appointed for a specific term, shall be subject to retirement at least once every three years.

Pursuant to Article 110 of the Articles of Association, without prejudice to the power of the Company in general meeting in accordance with any of the provisions of the Articles of Association to appoint any person to be a Director, the Board shall have power, exercisable at any time and from time to time, to appoint any other person as a Director, either to fill a casual vacancy or as an addition to the Board, provided that the number of Directors so appointed shall not exceed the maximum number (if any) determined pursuant to the Articles of Association. Any Directors so appointed shall hold office only until the next following AGM of the Company and shall then be eligible for reelection, but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at each AGM.

Accordingly, Mr. Pan Longquan, Mr. Ke Zuqian and Mr. Jiang Li shall retire by rotation at the AGM and they being eligible, offer themselves for re-election.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, and for making recommendations to the Board on the appointment, re-appointment of Directors and succession plans for the Directors.

根據組織章程細則第111(a)條，在組織章程細則條文的規限下，於每屆股東週年大會上，當時三分之一的董事（或如董事人數並非三或三的倍數，則須為最接近但超過三分之一的董事人數）均須輪席退任。在條例、上市規則及組織章程細則條文的規限下，每年退任的董事須為自上次獲選後任期最長的董事，而就於同日成為董事的人士而言，退任的董事（除非彼等之間另有協定）須以抽籤方式決定。每名董事（包括有指定任期的董事）須至少每三年退任一次。

根據組織章程細則第110條，在不損害本公司根據組織章程細則任何條文於股東大會上委任任何人士為董事的權力的情況下，董事會有權隨時及不時委任任何其他人士為董事，以填補臨時空缺或作為董事會新增成員，惟所委任的董事人數不得超過根據組織章程細則釐定的最高人數（如有）。按上述方式委任的任何董事任期將於本公司下屆股東週年大會舉行時屆滿，屆時可於會上重選連任，惟於釐定須於每屆股東週年大會輪值退任的董事或董事人數時不會被計算在內。

因此，潘龍泉先生、柯祖謙先生及蔣立先生將於股東週年大會上輪值退任，且彼等符合資格並願意重選連任。

委任、重選及罷免董事的程序及過程載於組織章程細則。提名委員會負責審閱董事會組成，並就董事委任、重新委任及董事繼任計劃向董事會提出建議。

Board Meetings

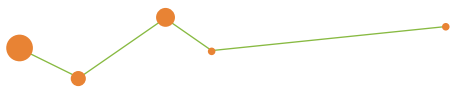
The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals in accordance with the code provision C.5.1 of the CG Code. Notices of no less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board meetings and Board Committee meetings, reasonable notice is generally given. The agenda and accompanying Board papers are dispatched to the Directors or Board Committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings and that each Director can participate the board proceedings in a meaningful and effective manner. When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings shall be kept by the company secretary of the Company with copies circulated to all Directors for information and records. Minutes of the Board meetings and Board Committee meetings are recorded in sufficient detail about the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings are open for inspection by the Directors.

董事會會議

本公司採納根據企業管治守則的守則條文C.5.1定期舉行董事會會議的慣例，每年至少舉行四次會議，大約每季舉行一次。本公司就所有定期董事會會議發出不少於十四日的通知，讓全體董事均有機會出席定期會議並討論議程事項。

就其他董事會會議及董事委員會會議而言，一般會發出合理通知。議程及相關董事會文件將於會議舉行前至少三日寄發予董事或董事委員會成員，以確保彼等有充足時間審閱有關文件及為會議作充分準備，且各董事均能以具意義及有效的方式參與董事會會議。倘董事或董事委員會成員未能出席會議，則彼等會獲悉將予討論的事宜及於會議召開前有機會知會主席有關彼等的意見。會議記錄須由本公司之公司秘書保存，副本將於全體董事間傳閱，以供參考及記錄。董事會會議及董事委員會會議的會議記錄會詳細記錄董事會及董事委員會所考慮的事宜及所達致的決定，包括董事提出的任何問題。各董事會會議及董事委員會會議的會議記錄草擬本將於會議舉行當日後合理時間內寄送至各董事，以供彼等提出意見。董事會會議記錄可供董事查閱。



CORPORATE GOVERNANCE REPORT

企業管治報告

During the Reporting Period, four Board meetings and one general meeting were held by the Company. The attendance of each Director at the Board meetings during the Reporting Period is set out below:

於報告期內，本公司召開四次董事會會議及一次股東大會。於報告期內，各董事出席董事會會議的情況載列如下：

Name of Directors	董事名稱	Attended/eligible to attend 已出席／應出席	
		Board meetings 董事會會議	General meetings 股東大會
Executive Directors			
Mr. Pan Longquan	潘龍泉先生	4/4	1/1
Ms. Zhang Tong	張彤女士	4/4	1/1
Mr. Ke Zuqian	柯祖謙先生	4/4	1/1
Mr. Michael John Clancy	Michael John Clancy先生	4/4	1/1
Independent Non-executive Directors			
Mr. Tian Ming	田明先生	4/4	1/1
Dr. Li Minghui	李明輝博士	4/4	1/1
Mr. Jiang Li	蔣立先生	4/4	1/1

The CG Code requires that the chairman should at least annually hold meetings with the independent non-executive Directors without the presence of other Directors. During the Reporting Period, one meeting was held between the Chairman and the independent non-executive Directors.

企業管治守則規定，主席應至少每年與獨立非執行董事舉行一次沒有其他董事出席的會議。於報告期內，主席與獨立非執行董事之間舉行一次會議。

Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. In response to specific enquiries made, all of the Directors confirmed that they have complied with the required standards as set out in the Model Code during the Reporting Period. There has been no non-compliance with the required standard set out in the Model Code during the Reporting Period and up to the date of the Annual Report.

證券交易的標準守則

本公司已採納上市規則附錄C3所載標準守則，作為其本身有關董事進行證券交易的行為守則。全體董事於回應有關查詢時均確認，彼等於報告期內一直遵守標準守則所載的規定標準。於報告期內及直至本年報日期，概無違反標準守則所載的規定標準。

Delegation by the Board

The Board reserves for its decision on all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. The Directors may seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval must be obtained from the Board prior to any significant transactions entered into by senior management.

Corporate Governance Function

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

The Board confirmed that corporate governance is a collective responsibility of the Directors, which corporate governance functions include:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (e) to review the Company's compliance with the CG Code and disclosures in the Corporate Governance Report.

董事會授權

董事會對本公司所有重大事宜保留決策權，包括：批准及監察一切政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易（特別是可能牽涉利益衝突者）、財務資料、委任董事及其他重大財務及營運事宜。董事於履行彼等職責時或會尋求獨立專業意見，費用由本公司承擔。彼等亦可向本公司高級管理層進行獨立諮詢。

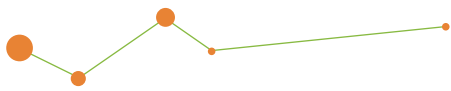
本公司的日常管理、行政及營運交予高級管理層負責。授權職能及職責由董事會定期檢討。高級管理層進行任何重大交易前須取得董事會批准。

企業管治職能

董事會負責履行企業管治守則之守則條文第A.2.1條所載之職能。

董事會確認，企業管治屬董事的共同責任，企業管治職能包括：

- (a) 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；
- (b) 檢討及監察董事及高級管理層的培訓及持續專業發展；
- (c) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- (d) 制定、檢討及監察適用於僱員及董事的行為守則及合規手冊（如有）；及
- (e) 檢討本公司遵守企業管治守則的情況及企業管治報告的披露資料。



CORPORATE GOVERNANCE REPORT

企業管治報告

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, policies and practices on compliance with legal and regulatory requirements, compliance with the Model Code and written employee guidelines, as well as compliance with the CG Code and disclosures in this Corporate Governance Report.

BOARD COMMITTEES

AUDIT COMMITTEE

The Audit Committee comprises three members, namely Dr. Li Minghui, Mr. Tian Ming and Mr. Jiang Li, being all independent non-executive Directors. The Audit Committee is chaired by Dr. Li Minghui (being the independent non-executive Director with the appropriate professional qualifications).

The terms of reference of the Audit Committee are in compliance with Rule 3.21 of the Listing Rules and the CG Code. The primary duties of the Audit Committee are to assist the Board in, among other aspects: (i) overseeing the scope of audit and appointment of external auditors, (ii) monitoring the integrity of the Company's financial statements and accounts, as well as annual and interim reports, (iii) reviewing the Company's financial controls and risk management and internal control systems, (iv) reviewing the Company's financial and accounting policies and practices and (v) establishing a whistleblowing policy and system for the Company's employees to raise concerns regarding possible improprieties in financial reporting, internal control and other matters. The written terms of reference of Audit Committee are available on the websites of the Stock Exchange and the Company.

During the Reporting Period, two meetings of the Audit Committee were held to discuss and consider the following matters:

- reviewed interim and final results of the Company and its subsidiaries for the fiscal year as well as the audit report prepared by the auditor relating to accounting issues and major findings in course of audit; and

董事會已檢討本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、在遵守法律及監管規定方面的政策及常規、遵守標準守則及書面僱員指引的情況，以及遵守企業管治守則的情況及在本企業管治報告內的披露。

董事委員會

審核委員會

審核委員會由三名成員組成，即李明輝博士、田明先生及蔣立先生，彼等均為獨立非執行董事。審核委員會由李明輝博士（具備適當專業資格的獨立非執行董事）擔任主席。

審核委員會的職權範圍符合上市規則第3.21條及企業管治守則。審核委員會的主要職責為在以下方面協助董事會，其中包括：(i)監督審核範圍及外部核數師的委聘；(ii)監督本公司財務報表及賬目，以及年度及中期報告的公正性；(iii)審閱本公司財務控制及風險管理以及內部控制系統；(iv)審查本公司財務及會計政策及實踐；及(v)建立舉報制度及系統，以加強本公司僱員對可能存在的與財務申報、內部控制及其他事宜有關的不當行為的關注。審核委員會的書面職權範圍可於聯交所及本公司網站查閱。

於報告期內，審核委員會已舉行兩次會議，以討論及考慮以下事項：

- 審閱本公司及其附屬公司於財政年度的中期及末期業績，以及由核數師就會計事宜及於審核過程中的重大發現所編製的審核報告；及

- reviewed the financial reporting system, compliance procedures, internal control (including the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function), risk management systems, review the annual cap of existing continued connected transactions, and processes and the re-appointment of the auditor; the Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of the auditor.
- 檢討財務申報制度、合規程序、內部監控（包括本公司在會計及財務申報職能方面的資源、員工資歷及經驗、培訓課程及有關預算是否充足）、風險管理系統、檢討現有持續關連交易的年度上限及程序以及核數師的續聘；董事會並無偏離審核委員會就甄選、委任、辭任或罷免核數師提出的任何建議。

The attendance of each Audit Committee member at the Audit Committee meeting during the Reporting Period is set out in the table below:

各審核委員會成員於報告期內出席審核委員會會議的情況載於下表：

Name of Directors	董事名稱	Attended/Eligible to attend 已出席／應出席
Dr. Li Minghui	李明輝博士	2/2
Mr. Tian Ming	田明先生	2/2
Mr. Jiang Li	蔣立先生	2/2

During the Reporting Period, the Audit Committee also met the auditor once without the presence of the executive Directors.

於報告期內，審核委員會亦在執行董事不在場的情況下與核數師會面一次。

NOMINATION COMMITTEE

The Nomination Committee currently comprises three members, including one executive Director, namely, Mr. Pan Longquan, and two independent non-executive Directors, namely, Mr. Jiang Li and Mr. Tian Ming. The Nomination Committee is chaired by Mr. Jiang Li.

提名委員會

提名委員會現時由三名成員組成，包括一名執行董事（即潘龍泉先生），及兩名獨立非執行董事（即蔣立先生及田明先生）。提名委員會由蔣立先生擔任主席。

The terms of reference of the Nomination Committee are in compliance with the CG Code. The primary responsibilities of our nomination committee are to, among other aspects, (i) consider and recommend to the Board on the appointment, removal and re-election of Directors of the Company and (ii) review the structure, size and composition of the Board and the Nomination Policy and the Board Diversity Policy adopted by the Company on regular basis. The written terms of reference of Nomination Committee are available on the websites of the Stock Exchange and the Company.

提名委員會的職權範圍符合企業管治守則。提名委員會的主要職責為，其中包括，(i)考慮及就委任、罷免及重選本公司董事向董事會提出建議及(ii)定期檢討董事會的架構、規模及組成以及本公司採納的提名政策及董事會多元化政策。提名委員會的書面職權範圍可於聯交所及本公司網站查閱。



Policy on Directors Nomination

The Company has adopted a nomination policy (the “**Nomination Policy**”) on December 8, 2021, which sets out the approach to guide the Nomination Committee in relation to the selection, appointment and re-appointment of the Directors. The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

The Nomination Committee will recommend to the Board for the appointment of a Director in accordance with the following procedures and process as set out in the Nomination Policy:

- (i) the Nomination Committee will, giving the consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort on suitable candidates, where necessary;
- (ii) the Nomination Committee may consult any source it deems appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertisements, recommendations from an independent agency firm and proposals from Shareholders with due consideration given to the criteria as set out in the Nomination Policy;
- (iii) the Nomination Committee may adopt any process it deems appropriate in evaluating the suitability of the candidates, such as conducting interviews, background checks, presentations and third-party reference checks;
- (iv) upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;
- (v) the Nomination Committee will thereafter make the recommendation to the Board in relation to the proposed appointment and the proposed remuneration package; and
- (vi) the Board will have the final authority in determining the selection of nominees and all appointment of Directors will be confirmed by the filing of the consent to act as Director of the relevant Director (or any other similar filings requiring the relevant Director to acknowledge or accept the appointment as Director, as the case may be).

董事提名政策

本公司已於2021年12月8日採納提名政策（「**提名政策**」），當中載列指引提名委員會有關甄選、委任及重新委任董事的方法。提名委員會將在適當時候檢討董事提名政策，以確保其有效性。

提名委員會將根據提名政策所載的以下程序及流程向董事會建議委任董事：

- (i) 提名委員會經考慮董事會現行組成及人數後，會首先制定一份合適技能、觀點及經驗清單，以便集中尋覓適當人選（如必要）；
- (ii) 提名委員會可諮詢其認為恰當的任何來源，以物色或挑選合適候選人，例如現任董事推介、廣告、獨立代理公司推薦及股東建議，並審慎考慮本提名政策所載準則；
- (iii) 提名委員會可於評估候選人是否合適時採納其認為恰當的任何程序，例如進行面試、背景調查、簡介會及第三方資歷查核；
- (iv) 於考慮候選人是否適合擔任董事時，提名委員會將舉行會議及／或透過書面決議方式酌情批准就委任向董事會提供建議；
- (v) 提名委員會其後將就建議委任及建議薪酬待遇向董事會提供建議；及
- (vi) 董事會將擁有最終權力可決定提名人選，而所有董事任命將透過相關董事提交出任董事職位同意書（或任何其他要求相關董事確認或接受委任為董事（視情況而定）的類似文件）而確定。

In recommending candidates for appointment to the Board, the Nomination Committee will consider candidates on merit against objective criteria and with due regards to the benefits of diversity on the Board. During the Reporting Period and up to the date of this Annual Report, there was no change in the composition of the Board.

於向董事會推薦候選人時，提名委員會將按客觀準則考慮候選人的優點，並適當考慮董事會成員多元化的裨益。於報告期內直至本年報日期，董事會組成概無變化。

During the Reporting Period, one meeting of the Nomination Committee was held to discuss and consider the following matters:

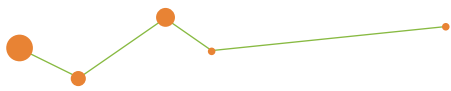
於報告期內，提名委員會已舉行一次會議，以討論及考慮以下事項：

- reviewed the structure, size and composition of the Board;
- assessed independence of the independent non-executive Directors;
- reviewed the Nomination Policy;
- reviewed the Board Diversity Policy; and
- considered the re-appointment of the retiring Directors.
- 檢討董事會的架構、規模及組成；
- 評估獨立非執行董事的獨立性；
- 檢討提名政策；
- 檢討董事會成員多元化政策；及
- 考慮重新委任退任董事。

The attendance of each Nomination Committee member at the Nomination Committee meeting during the Reporting Period is set out in the table below:

下表載列於報告期內，提名委員會各成員出席提名委員會會議的情況：

Name of Directors	董事名稱	Attended/ Eligible to attend 已出席／應出席
Mr. Jiang Li	蔣立先生	1/1
Mr. Tian Ming	田明先生	1/1
Mr. Pan Longquan	潘龍泉先生	1/1



CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises three members, including one executive Director, namely, Ms. Zhang Tong, and two independent non-executive Directors, namely, Mr. Tian Ming and Dr. Li Minghui. The Remuneration Committee is chaired by Mr. Tian Ming.

The terms of reference of the Remuneration Committee are in compliance with Rule 3.25 of the Listing Rules and the CG Code. The primary duties of the Remuneration Committee are to, among other aspects, (i) make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy, (ii) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives and (iii) make recommendations to the Board on the remuneration packages of individual Directors and senior management. The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

During the Reporting Period, two meetings of the Remuneration Committee were held to discuss and consider the following matters:

- recommended to the Board the remuneration packages of individual executive Directors and senior management in respect of the year ended December 31, 2023;
- reviewed the remuneration of non-executive Directors;
- reviewed and recommended to the Board the Company's policy and structure for the remuneration of all Directors and senior management; and
- reviewed and approved the 2024 Share Scheme under Chapter 17 of the Listing Rules.

薪酬委員會

薪酬委員會現由三名成員組成，其中包括一名執行董事（即張彤女士）以及兩名獨立非執行董事（即田明先生及李明輝博士）。薪酬委員會由田明先生擔任主席。

薪酬委員會的職權範圍符合上市規則第3.25條以及企業管治守則。薪酬委員會的主要職責為，其中包括，(i)就本公司所有董事及高級管理層薪酬政策及架構以及就制定薪酬政策建立正式透明程序，向董事會作出推薦建議；(ii)參考董事會的企業方針及目標，審閱及批准管理層的薪酬提議及(iii)就個別董事及高級管理層的薪酬待遇向董事會作出推薦建議。薪酬委員會的書面職權範圍可於聯交所及本公司網站查閱。

於報告期內，薪酬委員會舉行了兩次會議，以討論並考慮以下事項：

- 向董事會建議個別執行董事及高級管理層截至2023年12月31日止年度的薪酬方案；
- 檢討非執行董事的薪酬；
- 檢討並向董事會建議本公司有關全體董事及高級管理層的薪酬方案及架構；及
- 根據上市規則第17章審閱及批准2024年股份計劃。

The attendance of each Remuneration Committee member at the Remuneration Committee meeting during the Reporting Period is set out in the table below:

下表載列於報告期內，薪酬委員會各成員出席薪酬委員會會議的情況：

Name of Directors	董事名稱	Attended/ Eligible to attend 已出席 / 應出席
Mr. Tian Ming	田明先生	2/2
Ms. Zhang Tong	張彤女士	2/2
Dr. Li Minghui	李明輝博士	2/2

Remuneration of Directors and Senior Management

董事及高級管理層薪酬

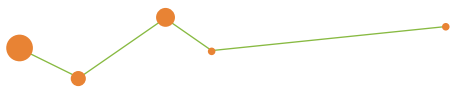
The aggregate remuneration (including fees, salaries, bonuses, allowances, benefits in kind and pension scheme contributions) payable to the Directors during the Reporting Period was approximately US\$1.5 million.

於報告期內，應付董事的薪酬總額（包括袍金、薪金、花紅、津貼、實物福利及養老金計劃供款）約為1.5百萬美元。

The remuneration of the Directors is determined with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group. Details of the remuneration by band of the members of the Board and senior management of the Company, whose biographies are set out on pages 26 to 36 of this Annual Report, during the Reporting Period, are set out below:

董事薪酬通過參考可資比較公司支付的薪金、董事投入的時間及承擔的職責以及本集團的業績釐定。以下載列於報告期內，本公司董事會成員及高級管理層（彼等的履歷載列於本年報第26至36頁）薪酬區間詳情：

Band of remuneration (US\$)	薪酬區間 (美元)	Number of individuals 人數
Nil to US\$500,000	零至500,000美元	2
Over US\$500,000	超過500,000美元	3



CORPORATE GOVERNANCE REPORT 企業管治報告

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for each financial period to ensure that they give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

Senior management has provided to the Board such explanations and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company has provided all members of the Board with monthly updates on the Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the auditor regarding its reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 101 to 107 of this Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for (i) maintaining sound and effective internal control and risk management systems in order to safeguard the Company's assets and its Shareholders' interests and (ii) reviewing the effectiveness of the Company's internal control and risk management systems on an annual basis so as to ensure that internal control and risk management systems in place are adequate. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

董事就財務報表的財務申報責任

董事知悉彼等對編製本公司各財務報告期間真實而中肯地反映本公司及本集團事務以及本集團業績及現金流量的財務報表的責任。

高級管理層已向董事會提供為使董事會可對呈交予董事會以供批准的本公司財務報表進行知情評估而必要的解釋及資料。本公司已向董事會全體成員提供有關本公司表現、狀況及前景的月度更新情況。

董事並不知悉任何與可能對本集團持續經營能力構成重大疑惑的事件或情況有關的重大不確定因素。

核數師就其對本公司綜合財務報表的申報責任發表的聲明載於本年報第101至107頁的獨立核數師報告。

風險管理及內部控制

董事會負責(i)維持完備有效的內部控制及風險管理系統，以保障本公司資產及其股東權益，以及(ii)負責每年審閱本公司內部控制及風險管理系統的有效性，以確保到位的內部控制及風險管理系統屬充分。該等系統設計旨在管理而非消除未達致業務目標的風險，並僅可提供針對重大錯誤陳述或損失的合理而非絕對的保證。

Our internal audit department is responsible for performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The Company has established comprehensive risk management and internal control processes through which the Company monitors, evaluates and manages the risks that the Company is exposed to regarding its business activities and operations, which include but are not limited to procurement management, sales management, inventory management, research and development management, investment management, credit risk, related party transaction controls, information disclosure controls, human resources, IT management and other financial and operational controls and monitoring procedures. Examples of the relevant risk management and internal control measures are as follows:

Financial Reporting Risk Management – The Company has in place a set of accounting policies in connection with its financial reporting risk management, such as financial report management policies, budget management policies, financial statements preparation policies and financial department and staff management policies.

Information System Risk Management – The Company has implemented relevant internal procedures and controls to ensure that user data is protected and that leakage and loss of such data is avoided.

Internal Control Risk Management – The legal & compliance department of the Company reviews and updates the forms of contracts the Company enters into with its customers and suppliers and other relevant due diligence materials.

Human Resources Risk Management – The Company has in place an employee handbook approved by its management and distributed to all of its employees, which contains internal rules and guidelines regarding best commercial practices, work ethics, fraud prevention mechanism, negligence and corruption. A whistle blowing policy has also been adopted to detect and identify potential improprieties and bring issues to the attention of senior management, the Audit Committee and the Board.

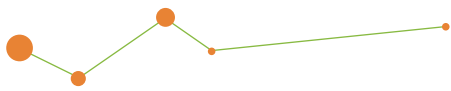
我們的內部審計部門負責獨立審閱風險管理及內部控制系統的準確性及有效性。本公司已建立綜合風險管理及內部控制流程，並通過此流程監察、評估及管理本公司在其業務活動及運營中面臨的風險，包括但不限於採購管理、銷售管理、存貨管理、研發管理、投資管理、信貸風險、關聯方交易控制、信息披露控制、人力資源、資訊科技管理及其他財務及營運控制及監控程序。相關風險管理及內部控制措施的示例如下：

財務報告風險管理 – 本公司已就其財務報告風險管理制定一套會計政策，如財務報告管理政策、預算管理政策、財務報告編製政策以及財務部門及員工管理政策。

資訊系統風險管理 – 本公司已實施相關內部程序及控制措施，以確保用戶數據受到保護，並避免有關數據洩漏及丟失。

內部控制風險管理 – 本公司法律及合規部門會審閱及更新本公司與客戶及供應商訂立的合約形式以及其他相關盡職審查材料。

人力資源風險管理 – 本公司已制定經管理層批准並派發予全體僱員的員工手冊，當中載有有關最佳商業慣例、職業道德、防止欺詐機制、疏忽及貪污的內部規則及指引。亦已採納舉報制度以查明及識別潛在不當行為並引起高級管理層、審核委員會及董事會的注意。



CORPORATE GOVERNANCE REPORT 企業管治報告

Investment Risk Management – The investment strategy of the Company is grounded in the principles of compliance, prudence, safety and effectiveness and the Company considers criteria including (i) size, expected returns and associated risks; (ii) compliance with applicable laws and regulations; (iii) consistency with our growth strategy; (iv) appropriateness of enterprise resource allocation; and (v) optimization of our portfolio when making investment decisions.

ESG Risk Management – The Company undertakes measures to manage ESG risks and issues covered under relevant international standards, such as reduction of greenhouse gas emissions, use of environmentally friendly resources, as well as production safety and employee health.

The risk management procedure of the Company is based on the well-defined risk identification standards, risk monitor responsibilities and risk control measure of each major classification. The management of the Company actively monitors the regional economy, trends of power tools and outdoor power equipment industry, reliance on continuing connected transactions and changes in applicable laws and regulations, and assesses income and expenditure and absorptive capacity of business expansions. The risk management procedure of the Company clearly specifies the management duties, authorization and approval of each party in respect of the major risk identification and management, and develops clear written policy for significant risk management process and circulate it to all members of management and staffs. The Company's internal control procedures are designed to provide reasonable assurance for achieving objectives, including efficient and stable operations, reliable financial reporting and compliance with applicable laws and regulations. The Company's management will review the risk assessment report on a quarterly basis and reports to the Board on a semi-annual basis.

During the Reporting Period, the Board has conducted a review of the effectiveness of internal control and risk management system of the Group and is of the view that such system is effective and adequate.

投資風險管理 – 本公司投資策略乃基於合規、審慎、安全有效的原則。本公司於作出投資決策時考慮的標準包括(i)規模、預期回報及相關風險；(ii)適用法律法規的合規情況；(iii)與我們增長策略的一致性；(iv)企業資源分配的合理性；及(v)投資組合的優化。

ESG風險管理 – 本公司採取措施管理ESG風險及相關國際準則所包含的問題，如減少溫室氣體排放、使用環境友好型資源以及安全生產及僱員健康。

本公司的風險管理程序基於各主要分類界定分明的風險識別標準、風險監察責任及風險控制措施。本公司管理層積極監察地區經濟、電動工具及戶外動力設備行業趨勢、對持續關連交易的依賴情況以及適用法律法規的變動情況，並評估業務擴張的收入及支出以及消化能力。本公司的風險管理程序明確列出各方在主要風險識別及管理方面的管理職責、授權及批准，以及就重大風險管理流程制定明確的書面政策並將其向全體管理層成員及員工傳閱。本公司的內部控制程序設計旨在提供對達致目標的合理保證，有關目標包括高效及穩健的營運、可靠的財務申報及遵守適用法律法規。本公司管理層將每季度審閱我們的風險評估報告，每半年向董事會報告。

於報告期內，董事會已審閱本集團內部控制及風險管理系統的有效性，並認為該系統有效且充分。

During the Reporting Period, the Company has adopted various measures to ensure the effective implementation of its internal control and risk management system, including (i) establishing the Audit Committee to review and supervise its financial reporting process and internal control system; (ii) adopting various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure; (iii) organizing training sessions for its Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong; (iv) conducting regular internal training for its employees and management on applicable laws and regulations to ensure awareness and compliance, which cover various aspects of employee behavior during the ordinary business operations; and (v) appointing Guotai Junan Capital Limited as its compliance adviser to advise on ongoing compliance with the Listing Rules and other applicable securities laws and regulations in Hong Kong.

The Company has adopted other internal rules and policies on December 8, 2021, which include procedures for handling inside information in accordance with the SFO and the Listing Rules to ensure the confidentiality of handling inside information and the publication of respective disclosure to the public as soon as practicable. The Company will make timely disclosure of information that is unlikely to maintain confidentiality, so as to ensure effective protection of the rights and interests of investors and stakeholders.

WHISTLEBLOWING PROCEDURES AND ANTI-CORRUPTION POLICIES

The Company has in place a whistleblowing policy for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the legal & compliance department and the Company's management and the Audit Committee about possible improprieties in any matters related to the Company.

於報告期內，本公司已採取各種措施確保其內部控制及風險管理系統的有效執行，其中包括(i)建立審核委員會，以審閱及監督其財務報告流程和內部控制系統；(ii)採取各種政策以確保遵守上市規則，包括但不限於與風險管理、關連交易及信息披露有關的方面；(iii)就上市規則的相關規定及香港上市公司董事的職責，為其董事及高級管理層舉辦培訓課程；(iv)對其員工及管理層定期進行適用法律法規方面的內部培訓，以確保了解和遵守日常業務運營中僱員行為的各個方面；及(v)任命國泰君安融資有限公司為其合規顧問，以就持續遵守上市規則及香港其他適用的證券法例及規例提供建議。

本公司已於2021年12月8日根據證券及期貨條例以及上市規則採用其他內部規則及政策（包括處理內幕消息的程序），以確保處理內幕消息的保密性及在實際可行的情況下盡快向公眾刊發相關披露。對於不大可能保持機密的信息，本公司將及時披露信息，以確保投資者及權益人的權利和利益得到有效保護。

舉報程序及反貪污政策

本公司已制定舉報政策，讓本公司僱員及其他與本公司有往來的人士可以保密及匿名的方式向法律及合規部門以及本公司管理層及審核委員會提出其對任何可能關於本公司的不當事宜的關注。



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The Company has also in place an anti-corruption policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. Employees can also make anonymous reports to the legal & compliance department, which is responsible for investigating the reported incidents and taking appropriate measures. The Company continues to carry out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and actively organizes anti-corruption training and inspections to ensure the effectiveness of anti-corruption and anti-bribery. For example, during the Reporting Period, the Company held anti-corruption trainings and briefings for its employees. There was no material non-compliance in relation to bribery and corruption during the Reporting Period.

DISCLOSURE POLICY

The Company has adopted other internal rules and policies on December 8, 2021, which includes procedures for disclosure policy and provides a general guide to the Company's directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

DIVIDEND POLICY

The Company adopted the Dividend Policy on December 8, 2021, which outlines the principles and guidelines that the Company intends to apply in relation to the declaration, payment and distribution of dividends to the Shareholders.

According to the Dividend Policy, subject to the Articles of Association of the Company and all applicable laws and regulations, the Board after taking into account several factors, has absolute discretion on whether to declare and distribute dividends.

The Board will take into consideration, if it decides to pay dividends, the Company's operational results, cash flows, financial condition, statutory and regulatory restrictions on the payment of dividends by the Company, the capital requirements, future business plans and prospects and any other factors that the Board may consider relevant.

本公司亦已制定反貪污政策，以防止本公司內出現貪污及賄賂。本公司設有公開及可供本公司僱員舉報任何涉嫌貪污及賄賂的內部舉報渠道。僱員亦可向負責調查舉報事件及採取適當措施的法律及合規部門作出匿名舉報。公司持續開展反貪污、反賄賂活動，培育廉潔文化，積極組織反貪污培訓和檢查，確保反貪污、反賄賂工作的有效性。例如，於報告期內，本公司為其僱員舉辦反貪污培訓及簡介會。於報告期內，概無有關賄賂及貪污的重大不合規情況。

披露政策

本公司已於2021年12月8日採用其他內部規則及政策，包括披露政策程序及為本公司董事、高級職員、高級管理層及相關僱員處理機密資料、監督資料披露及回應查詢提供全面指引。本公司已實施監控程序，以確保嚴格禁止未經授權的內部資料獲取及使用。

股息政策

於2021年12月8日，本公司採用股息政策，該政策概述本公司就向股東宣派、派付或分派股息擬採用的原則及指引。

根據股息政策，在受本公司組織章程細則及所有適用法律法規規限的情況下，董事會經考慮若干因素後，可全權酌情決定是否宣派及分派股息。

倘決定派付股息，董事會將考慮本公司的營運業績、現金流量、財務狀況、本公司派付股息的法定及監管限制、資本需求、未來業務計劃及前景以及董事會可能認為相關的任何其他因素。

The Company has adopted a general annual dividend policy of declaring and paying dividends on an annual basis of no less than 20% of the Company's total net profit attributable to the Company for any particular year. The declaration of dividends is subject to the discretion of the Directors, and, if necessary, the approval of the Shareholders. A decision to declare or to pay any dividends and the amount of any dividends will depend on various factors, including but not limited to the Company's results of operations, cash flows and financial conditions, operating and capital expenditure requirements, distributable profits as determined under applicable laws, the Articles of Association, market conditions, the Company's strategic plans and prospects for business development, contractual limits and obligations, payment of dividends to the Company by its operating subsidiaries, taxation, and any other factors determined by the Board from time to time to be relevant to the declaration of dividend payments. The Company's future declarations of dividends may or may not reflect its historical declarations of dividends. In addition, the Directors may reassess the Company's Dividend Policy in the future.

本公司已採納一般年度股息政策，按任何特定年份本公司應佔淨利潤總額的不少於20%基準宣派及派付年度股息。股息宣派由董事酌情釐定及（如需要）須經股東批准。宣派或派付任何股息的決定及任何股息金額將取決於各項因素，包括但不限於本公司的經營業績、現金流量及財務狀況、運營及資本開支需求、根據適用法律釐定的可供分配利潤、組織章程細則、市場狀況、本公司的策略計劃及業務發展前景、合同限制及責任、運營附屬公司向本公司支付的股息、稅務及董事會不時釐定與宣派股息相關的任何其他因素。本公司日後的股息宣派可能會或可能不會反映其過往股息宣派。此外，董事日後可重新評估本公司的股息政策。

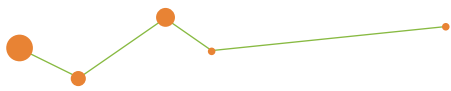
AUDITOR'S REMUNERATION

The remuneration for the audit and non-audit services provided by the auditor to the Company during the Reporting Period was approximately as follows:

核數師薪酬

於報告期內，核數師向本公司提供的審計及非審計服務的薪酬概約情況如下：

Type of Services	服務類別	Amount 金額 (US\$' 000) (千美元)
Audit services	審計服務	822
Non-audit services related to tax consultation	關於稅務諮詢的非審計服務	-
Total	總計	822



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COMPANY SECRETARIES

Directors have access to the services of the joint company secretaries to ensure that the Board procedures are followed. Mr. Hu Yian, one of the joint company secretaries, is responsible for advising the Board on corporate governance matters and ensuring that Board policy and procedures and applicable laws, rules and regulations are followed.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engaged Ms. Mok Ming Wai, an executive director of Tricor Services Limited (a global corporate services provider), as another joint company secretary to assist Mr. Hu in discharging his duties as company secretary of the Company. Ms. Mok's primary corporate contact person at the Company was Mr. Hu.

During the Reporting Period, Mr. Hu and Ms. Mok have undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of the Company's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

公司秘書

董事可獲得聯席公司秘書服務，以確保遵循董事會程序。胡以安先生（聯席公司秘書之一）負責就企業管治事宜向董事會作出建議，並負責確保董事會政策及程序以及適用法律、規則及法規得到遵守。

為維持良好的企業管治及確保遵守上市規則及適用香港法例，本公司亦聘請莫明慧女士（卓佳專業商務有限公司（一家環球企業服務供應商）執行董事）為另一名聯席公司秘書，以協助胡先生履行其作為本公司的公司秘書職責。莫女士於本公司的主要企業聯繫人為胡先生。

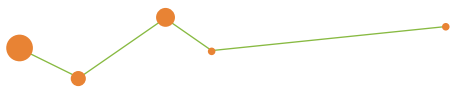
於報告期內，胡先生及莫女士已根據上市規則第3.29條分別接受不少於15個小時的相關專業培訓。

與股東的溝通及投資者關係

本公司認為與股東的有效溝通對加強投資者關係及增進投資者對本公司業務、表現及策略的了解至關重要。本公司亦認識到及時和非選擇性披露信息的重要性，其將使股東及投資者得以作出知情的投資決策。

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the Shareholders to ensure that Shareholders' views and concerns are appropriately addressed. The Company has several channels to communicate and engage with the Shareholder as described below:

- The AGM provides an opportunity for constructive communication between the Company and the Shareholders. The Chairman and the chairpersons of the Board Committees of the Company or their delegates will attend the AGMs to answer Shareholders' questions. The Auditor will also attend the AGMs to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.
- The Company maintains a website of the Company at <https://global.chervongroup.com>, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.
- Latest information of the Group including annual and interim reports, announcements and other corporate communications which will be sent to the Shareholders and/or published are updated on the websites of the Stock Exchange and the Company on a timely basis.
- Investor/analysts briefings and one-on-one meetings, media interviews and marketing activities for investors, among other channels, will be available where necessary in order to facilitate communication between the Company, Shareholders and the investment community. The Directors and Company employees who have contacts or dialogues with investors, analysts, media or other interested outside parties are required to comply with the relevant disclosure obligations and requirements under the Listing Rules and other applicable laws.
- 股東週年大會為本公司與股東之間的建設性溝通提供了機會。本公司董事長及董事委員會主席或彼等授權代表將出席股東週年大會以回答股東提問。核數師亦將出席股東週年大會以回答有關審計行為、核數師報告編製及內容、會計政策及核數師獨立性的提問。
- 本公司維持本公司網站 <https://global.chervongroup.com>，登載本公司業務營運及發展的最新資料、財務資料、企業管治實踐及其他資料，以供公眾查閱。
- 本集團最新資料包括年度及中期報告、公告及其他企業諮詢，該等資料將及時發送予股東及／或於聯交所及本公司網站上刊發及更新。
- 如有必要，將提供投資者／分析員簡報會及一對一會議、媒體訪問及投資者推廣活動等其他渠道，以促進本公司、股東及投資界之間的溝通。與投資者、分析員、媒體或其他外界相關人士有聯繫或與彼等對話的董事及本公司僱員須遵守上市規則及其他適用法律的相關披露責任及規定。



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- Shareholders may submit requisitions to move a resolution at the AGM, convene a general meeting, propose a person for election as a director at a general meeting or enquiries or concerns with the Board, among other rights, in accordance with the applicable laws and procedures under the section headed “—Shareholders’ Rights” below.
- The Hong Kong branch share registrar of the Company serves the Shareholders in respect of share registration, dividend payment and related matters.
- 股東可根據適用法律及下文「—股東權利」一節所載程序，向董事會提出請求於股東週年大會上動議決議案、召開股東大會、於股東大會上提名人士參選董事或查詢或關注事項，以及其他權利。
- 本公司的香港股份過戶登記分處為股東提供股份登記、股息派付及相關事宜的服務。

The Company regularly reviews its shareholders’ communication to ensure that it has been implemented in a proper and effective manner. Having considered the various channels of communications and engagement with the Shareholders, the Company considers its shareholders’ communications policy to be effective during the Reporting Period.

SHAREHOLDERS’ RIGHTS

To safeguard Shareholders’ interests and rights, separate resolution on each substantially separate issue will be proposed for voting at a general meeting, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

According to Article 62 of the Articles of Association and the Companies Ordinance, the Shareholders may: (i) move a requisition to move a resolution at the AGM; (ii) requisition to convene an extraordinary general meeting; and (iii) propose a person for election as a Director at a general meeting.

本公司定期檢討其股東溝通，以確保其妥善及有效地執行。經考慮與股東的各種溝通及互動渠道，本公司認為其股東溝通政策於報告期內有效。

股東權利

為保障股東的利益及權利，將就股東大會上的每個實質性不同的議題提呈單獨決議案以供進行投票表決，包括選舉個別董事。

股東大會上提呈的所有決議案將根據上市規則以投票方式進行表決，表決結果將在每次股東大會後及時發佈在本公司及聯交所網站。

根據組織章程細則第62條及公司條例，股東可：(i) 於股東週年大會上請求動議決議；(ii) 請求召開股東特別大會；及(iii) 提議於股東大會上選舉任何人士為董事。

Requisition to Move a Resolution at an AGM

In accordance with section 615 of the Companies Ordinance, a requisition to move a resolution at the AGM may be submitted by any number of Shareholders representing not less than 2.50% of the total voting rights of all Shareholders having the right to vote on that resolution at the AGM, or not less than 50 Shareholders having the right to vote on that resolution at the AGM. The requisition must identify the resolution and must be authenticated by the person(s) making it. The requisition must be deposited at the Registered Office (as defined below), for the attention of the joint company secretaries, not later than 6 weeks before the AGM to which the request relates, or if later, when the Notice of AGM is dispatched.

Requisition to Convene General Meeting

Shareholders holding not less than 5% of the total voting rights of all the members having a right to vote at general meetings of the Company can deposit a requisition to call a general meeting pursuant to sections 566 to 568 of the Companies Ordinance. The requisition must state the general nature of the business to be dealt with at the meeting, and must be authenticated by the person(s) making it. The requisition must be deposited at our Registered Office for the attention of the joint company secretaries.

Proposing a Person for Election as a Director at a General Meeting

If a Shareholder wishes to propose a person for election as a Director at a general meeting, he/she must give a written notice to that effect to the joint company secretaries. The written notice must include the personal information of the person proposed for election as a Director as required by Rule 13.51(2) of the Listing Rules and be signed by such Shareholder and the person proposed for election as a Director indicating his or her willingness to be appointed or re-appointed and consent of publication of his or her personal information. Such notice shall be given within the period (or a longer period as may be determined by the Directors from time to time) commencing no earlier than the day after the dispatch of the notice of such meeting and ending no later than seven days prior to the date appointed for such meeting. Such details and procedures are available on the Company's website. For requesting the Company to circulate to Shareholders a statement with respect to a matter mentioned in a proposed resolution or any other business to be dealt with at a general meeting, Shareholders are requested to follow the requirements and procedures as set out in section 580 of the Companies Ordinance.

於股東週年大會上請求動議決議案

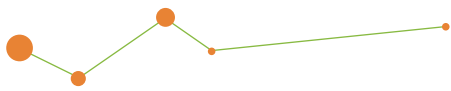
根據公司條例第615條規定，於股東週年大會上動議決議案的請求可由下列股東提交：任何不少於有權在股東週年大會上就該決議案表決的所有股東的總表決權2.50%的該等股東，或不少於50名有權於股東週年大會上就該決議案表決的股東。請求書須陳述決議案之內容，並須經提出該要求的人士認證。請求書須於就該請求有關股東週年大會至少六個星期前，或（倘於在上述時間後送抵）於股東週年大會的通知發出之時，遞交至註冊辦事處（定義見下文），收件人為聯席公司秘書。

請求召開股東大會

持有不少於所有有權於本公司股東大會上表決的股東的總表決權5%的股東，可根據公司條例第566至568條請求召開股東大會。請求書須陳述大會上將予處理事宜之一般性質，並須經提出該要求的人士認證。請求書須遞交至我們的註冊辦事處，收件人為聯席公司秘書。

於股東大會上提議選舉任何人士為董事

倘股東希望於股東大會上提議選舉任何人士為董事，彼須將一份關於該事宜的書面通知遞交聯席公司秘書收。根據上市規則第13.51(2)條的要求，該書面通知須包括該名獲提議選舉為董事之人士的個人資料，且須經該股東及表明願意獲委任或重新委任為董事之人士簽署，或同意刊登其個人資料之同意書。通知須於自有關大會的通知寄發之翌日起至有關大會指定舉行日期前七日止期間（或董事可能不時釐定的更長期間）送交。有關詳情及程序已登載於本公司網站。要求本公司就提議的決議案所述事宜或任何大會上將予處理的事宜向股東轉傳聲明，股東須遵守公司條例第580條所載的規定及程序。



CORPORATE GOVERNANCE REPORT 企業管治報告

Procedure in Relation to Raising Enquiry and Concerns with the Board

Shareholders of the Company wishing to make any enquiry to the Board may do so in writing to the Company since verbal or anonymous enquiries would not generally be dealt with by the Company.

Shareholders who intend to put forward their enquiries about the Company to the Board may send their enquiries to the registered office of the Company (the “**Registered Office**”) at Unit 04, 22/F, Saxon Tower, 7 Cheung Shun Street, Lai Chi Kok, Kowloon, Hong Kong by mail, telephone (+86 25 84994002) or e-mail chervon-ir@cn.chervongroup.com.

For the avoidance of doubt, Shareholder(s) must deposit the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the address above and provide their full names, contact details and identification in order to give effect to such requisition, notice or statement, or enquiry. Shareholders’ information may be disclosed as required by law.

CHANGE IN CONSTITUTIONAL DOCUMENTS

The Company adopted the amended and restated Articles of Association on December 8, 2021, which has been effective from December 16, 2021. During the Reporting Period, the said amended and restated Articles of Association did not have any change.

向董事會提出查詢與關注的程序

本公司股東如欲向董事會提出任何查詢，可以書面方式向本公司提出。本公司通常不會處理口頭或匿名的查詢。

股東如欲向董事會作出有關本公司的查詢，可將其查詢郵寄至本公司註冊辦事處（「**註冊辦事處**」），地址為香港九龍荔枝角長順街7號西頓中心22樓04室，電話(+86 25 84994002)或以電郵(chervon-ir@cn.chervongroup.com)方式作出有關查詢。

為免生疑問，股東必須呈上經正式簽署的書面要求、通告、聲明或查詢（視情況而定）之正本，發送至上述地址，並提供其全名、聯絡方式以及身份證明，以使相關要求、通告、聲明或查詢生效。股東資料可能會按照法律規定予以披露。

章程文件的更改

本公司於2021年12月8日採納經修訂及重列組織章程細則（自2021年12月16日起生效）。於報告期內，上述經修訂及重列組織章程細則並無任何變動。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Independent auditor's report to the members of Chervon Holdings Limited

(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Chervon Holdings Limited ("the Company") and its subsidiaries ("the Group") set out on pages 108 to 248, which comprise the consolidated statement of financial position as at December 31, 2023, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 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 Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *HKICPA's Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致泉峰控股有限公司股東之獨立核數師報告

(於香港註冊成立的有限公司)

意見

我們已審核泉峰控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)的綜合財務報表(載於第108至248頁)，其包括於2023年12月31日的綜合財務狀況表及截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括重大會計政策資料)。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於2023年12月31日的綜合財務狀況，及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例妥為編製。

意見基準

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

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

Revenue recognition

收入確認

Refer to note 4 to the consolidated financial statements and the accounting policies on page 145 to 146.

請參閱綜合財務報表附註4及第145至146頁的會計政策。

The Key Audit Matter

關鍵審計事項

The Group's revenue principally comprises sales of power tools, outdoor power equipment and related products.

貴集團的收入主要包括銷售電動工具、戶外電動設備及相關產品。

Contracts for different products with different types of customers have a variety of different terms. Such terms may affect the timing of the recognition of sales to these customers. Management evaluates the terms of each contract in order to determine the appropriate timing of revenue recognition.

與不同類型客戶就不同產品訂立的合約的條款各異。該等條款可能影響向此等客戶銷售的確認時間。管理層評估每份合約的條款，以釐定收入確認的合適時間。

Revenue from sales of products is recognized when the control over the goods is transferred to customers, which is generally at the point in time when the goods leave the Group's warehouses, when the goods are delivered at the customers' premises or when the goods are loaded on board of shipping, in accordance with the terms of sales contracts with customers.

產品銷售收入於貨品的控制權移交予客戶時確認，而根據銷售合約的條款，有關時間一般分別指貨品離開貴集團倉庫時、貨品送抵客戶處時及貨品裝載上船時。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對我們審計本期間的綜合財務報表最為重要的事項。該等事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對該等事項提供單獨的意見。

How the matter was addressed in our audit

我們於審計過程中處理有關事項的方式

Our audit procedures to assess the recognition of revenue included the following:

我們評估收入確認的審計程序包括下列各項：

- obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls in relation to revenue recognition;
- 了解及評估有關收入確認的關鍵內部控制措施的設計、實施及運行有效性；
- inspecting customer contracts, on a sample basis, to identify performance obligations and terms and conditions relating to the transfer of control of the goods and assessing the Group's timing of revenue recognition with reference to the requirements of prevailing accounting standards;
- 參照現行會計準則規定，抽樣檢查客戶合約以識別與轉讓貨品控制權相關的履約義務以及條款及條件並評估貴集團收入確認的時間；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Revenue recognition

收入確認

Refer to note 4 to the consolidated financial statements and the accounting policies on page 145 to 146.

請參閱綜合財務報表附註4及第145至146頁的會計政策。

The Key Audit Matter

關鍵審計事項

How the matter was addressed in our audit

我們於審計過程中處理有關事項的方式

We identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group and therefore there is an inherent risk of manipulation of the timing of revenue recognition by management to meet specific targets or expectations.

我們確定收入確認為關鍵審計事項，因收入為貴集團的關鍵業績指標之一，故存在管理層藉操縱收入確認時間以達到特定目標或預期的固有風險。

- comparing revenue transactions recorded during the current year, on a sample basis, with invoices, sales contracts, customer acceptance notes, customs declaration forms, sales statements, and other underlying documents, where appropriate, to assess whether the related revenue was recognized in accordance with the Group's revenue recognition accounting policies;
- 將交易於本年度內錄得的收入與發票、銷售合約、客戶驗收單、海關申報表、銷售報表及其他相關文件（如適用）進行抽樣對比，以評估相關收入是否已根據貴集團的收入確認會計政策確認；
- comparing, on a sample basis, specific revenue transactions recorded before and after the financial year end date with underlying documentation, which included goods delivery notes, customs declaration forms, goods acceptance notes, and sales statements, where appropriate, to assess whether the revenue had been recognized in accordance with the contract terms and in the correct financial year; and
- 將交易於財政年結日前後錄得的特定收入與相關單據（包括貨品交付單、海關申報表、貨品驗收單及銷售報表（如適用））進行抽樣對比，以評估該收入是否已根據銷售合約的條款及於正確的財政年度內確認；及
- confirming, on a sample basis, the amount of sales transactions for the year ended December 31, 2023 directly with customers and inspecting underlying documentation to reconcile the difference between the transaction amounts confirmed by customers and the Group's accounting records.
- 抽樣確認截至2023年12月31日止年度直接與客戶進行銷售交易的金額，並就客戶已確認交易金額與貴集團賬目記錄之間的對賬差額核驗其相關單據。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors 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 Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

綜合財務報表及就此所作核數師報告以外的資料

董事對其他資料負責。其他資料包括年報所載的所有資料，惟不包括綜合財務報表及我們就此發表的核數師報告。

我們有關綜合財務報表之意見並不涵蓋其他資料，我們亦並不就此發表任何形式的核證結論。

就我們對綜合財務報表的審核而言，我們的責任是閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。

倘若我們基於已完成的工作認為其他資料出現重大錯誤陳述，我們須報告此事實。我們就此並無須報告事項。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例編製真實而公平的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的內部控制負責。

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

董事於審核委員會的協助下履行其責任，監督 貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional 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.

核數師就審計綜合財務報表承擔的責任

我們的目標是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告書。本報告按照香港公司條例第405節僅向閣下（作為整體）作出，除此以外，本報告書別無其他目的。我們不就此報告的內容對任何其他人士承擔任何責任。

合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計一定能發現某一重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，倘合理預期彼等個別或匯總起來可能影響該等綜合財務報表使用者所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行的審計過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該些風險，以及取得充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露資料的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所取得的審計證據，確定是否存在與事件或情況有關的重大不確定性，而可能對 貴集團持續經營的能力構成重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告書中提請使用者對綜合財務報表中的相關披露資料的關注。假若有關的披露資料不足，則我們須出具非無保留意見的核數師報告書。我們的結論乃基於截至我們報告書日期止所取得的審計證據。然而，未來事件或情況可能導致 貴集團不能繼續持續經營。
- 評價綜合財務報表的整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否公允反映有關交易和事項。
- 就 貴集團中實體或業務活動的財務信息獲取充分、適當的審計證據，以對綜合財務報表發表意見。我們負責指導、監督及執行集團審計。我們僅對審計意見承擔責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chan Ting Yuen.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

March 27, 2024

我們與審核委員會溝通了有關(其中包括)計劃的審計範圍、時間安排、重大審計發現等事項，包括我們在審計期間識別出內部控制的任何重大缺陷。

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與彼等溝通所有可能合理地被認為會影響我們獨立性的關係及其他事項，以及在適用的情況下，採取消除威脅的行動或應用防範措施。

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們會在核數師報告書中描述這些事項，除非法律法規不允許對某件事項作出公開披露，或在極端罕見的情況下，若有合理預期在我們的報告書中溝通某事項而造成的負面後果將會超過其產生的公眾利益，我們將不會在此等情況下在報告書中溝通該事項。

本獨立核數師報告的審核工作合夥人為陳定元。

執業會計師

香港中環
遮打道10號
太子大廈8樓

2024年3月27日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended December 31, 2023 (Expressed in US dollar ("USD"))
截至2023年12月31日止年度 (以美元「美元」列示)

		Year ended December 31, 截至12月31日止年度		
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元	
		Note 附註		
Revenue	收入	4	1,374,714	1,989,280
Cost of sales	銷售成本		(987,881)	(1,385,407)
Gross profit	毛利		386,833	603,873
Other revenue	其他收入	5(a)	5,787	7,038
Other net loss	其他虧損淨額	5(b)	(8,333)	(52,254)
Selling and distribution expenses	銷售及分銷開支		(244,052)	(214,014)
Administrative and other operating expenses	行政及其他經營開支		(96,787)	(89,765)
Research and development costs	研發成本		(70,673)	(65,733)
(Loss)/Profit from operations	經營(虧損)/利潤		(27,225)	189,145
Net finance costs	財務成本淨額	6(a)	(3,290)	(22,265)
Share of loss of an associate	應佔一間聯營公司虧損	16	(18,341)	(5,490)
(Loss)/Profit before taxation	除稅前(虧損)/利潤	6	(48,856)	161,390
Income tax expense	所得稅開支	7	11,706	(22,112)
(Loss)/Profit for the year	年內(虧損)/利潤		(37,150)	139,278
Attributable to:	以下人士應佔:			
Equity shareholders of the Company	本公司權益股東		(37,137)	139,369
Non-controlling interests	非控股權益		(13)	(91)
(Loss)/Profit for the year	年內(虧損)/利潤		(37,150)	139,278
(Losses)/Earnings per share	每股(虧損)/盈利	11		
Basic (USD)	基本(美元)		(0.07)	0.28
Diluted (USD)	攤薄(美元)		(0.07)	0.28

The notes on pages 116 to 248 form part of these financial statements. 第116至248頁的附註構成該等財務報表的一部分。

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended December 31, 2023 (Expressed in US dollar ("USD"))
截至2023年12月31日止年度 (以美元「美元」列示)

		Year ended December 31, 截至12月31日止年度	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
		Note 附註	
(Loss)/Profit for the year	年內(虧損)/利潤		(37,150) 139,278
Other comprehensive income for the year (after tax adjustments)	年內其他全面收益 (稅項調整後)	10	
<i>Item that will not be reclassified to profit or loss:</i>			
	將不會重新分類 至損益的項目:		
Remeasurement of defined benefit plan obligations	界定福利計劃責任重新計量		21 193
<i>Item that may be reclassified subsequently to profit or loss:</i>			
	隨後可能重新分類 至損益的項目:		
Exchange difference on translation of financial statements of subsidiaries with functional currencies other than US dollar ("USD")	以功能貨幣(而非美元) 換算附屬公司財務報表的 匯兌差額		(10,861) (13,365)
Other comprehensive income for the year	年內其他全面收益		(10,840) (13,172)
Total comprehensive (loss)/income for the year	年內全面(虧損)/收益總額		(47,990) 126,106
Attributable to:	以下人士應佔:		
Equity shareholders of the Company	本公司權益股東		(47,977) 126,197
Non-controlling interests	非控股權益		(13) (91)
Total comprehensive (loss)/income for the year	年內全面(虧損)/收益總額		(47,990) 126,106

The notes on pages 116 to 248 form part of these financial statements. 第116至248頁的附註構成該等財務報表的一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At December 31, 2023 (Expressed in US dollar ("USD"))
於2023年12月31日 (以美元「美元」列示)

		As at December 31, 於12月31日		
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元	
	Note 附註			
Non-current assets	非流動資產			
Properties, plants and equipment	物業、廠房及設備	12	276,555	233,224
Right-of-use assets	使用權資產	13	57,982	44,631
Intangible assets	無形資產	14	882	1,162
Interest in an associate	於一間聯營公司的權益	16	86,921	106,566
Prepayments, deposits and other receivables	預付款項、保證金及其他應收款項	21	4,637	5,851
Financial assets at fair value through profit or loss ("FVPL")	以公允價值計量且其變動計入當期損益(「以公允價值計量且其變動計入當期損益」)的金融資產	17	6,393	6,202
Deferred tax assets	遞延稅項資產	27(b)	47,804	30,879
			481,174	428,515
Current assets	流動資產			
Financial assets at FVPL	以公允價值計量且其變動計入當期損益的金融資產	17	—	20,019
Derivative financial instruments	衍生金融工具	18	2,553	2,288
Inventories	存貨	19	530,951	599,999
Right to returned goods asset	退回貨物資產的權利		26,248	4,417
Trade and bills receivables	貿易應收款項及應收票據	20	359,011	220,220
Prepayments, deposits and other receivables	預付款項、保證金及其他應收款項	21	70,895	78,654
Taxation recoverable	可收回稅項	27(a)	10,972	5,184
Pledged deposits	抵押存款	22(b)	18,244	36,495
Cash and cash equivalents	現金及現金等價物	22(a)	296,337	466,713
			1,315,211	1,433,989
Current liabilities	流動負債			
Bank loans	銀行貸款	23	198,185	192,904
Derivative financial instruments	衍生金融工具	18	2,335	3,581
Lease liabilities	租賃負債	24	2,690	7,583
Trade and bills payables	貿易應付款項及應付票據	25	224,954	294,452
Other payables and accruals	其他應付款項及應計費用	26	142,507	177,166
Taxation payable	應付稅項	27(a)	7,033	9,710
Warranty provision	保修撥備	28	49,617	19,030
Refund liabilities from right of return	退回權利的退款負債	29	36,104	6,432
			663,425	710,858
Net current assets	流動資產淨值		651,786	723,131
Total assets less current liabilities	總資產減流動負債		1,132,960	1,151,646

The notes on pages 116 to 248 form part of these financial statements. 第116至248頁的附註構成該等財務報表的一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At December 31, 2023 (Expressed in US dollar ("USD"))
於2023年12月31日 (以美元「美元」列示)

		As at December 31, 於12月31日		
		2023	2022	
		2023年	2022年	
		USD' 000	USD' 000	
		千美元	千美元	
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	23	125,455	136,589
Lease liabilities	租賃負債	24	9,691	14,460
Warranty provision	保修撥備	28	20,060	38,059
Deferred income	遞延收益	30	3,558	3,709
Defined benefit plan obligations	界定福利計劃義務	31	434	473
Deferred tax liabilities	遞延稅項負債	27(b)	13,141	12,257
			172,339	205,547
NET ASSETS	資產淨值		960,621	946,099
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	32	601,859	502,654
Reserves	儲備	32	358,866	443,536
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔權益總額		960,725	946,190
Non-controlling interests	非控股權益		(104)	(91)
TOTAL EQUITY	權益總額		960,621	946,099

Approved and authorised for issue by the board of directors on March 27, 2024. 已於2024年3月27日獲董事會批准及授權刊發。

Pan Longquan
潘龍泉

Directors
董事

Zhang Tong
張彤

The notes on pages 116 to 248 form part of these financial statements. 第116至248頁的附註構成該等財務報表的一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended December 31, 2023 (Expressed in US dollar ("USD"))
截至2023年12月31日止年度 (以美元「美元」列示)

		Attributable to equity shareholders of the Company 本公司權益股東應佔							Non- controlling interests 非控股權益 USD'000 千美元	Total equity 權益總額 USD'000 千美元
		Share capital 股本 USD'000 千美元	Other reserve 其他儲備 USD'000 千美元	PRC statutory reserve 中國法定儲備 USD'000 千美元	Exchange reserve 匯兌儲備 USD'000 千美元	Fair value reserve (non- recycling) 公允價值儲備 (不可回撥) USD'000 千美元	Retained profits 保留利潤 USD'000 千美元	Total		
	<i>Note</i>									
	附註									
Balance at January 1, 2022		444,621	26,339	35,743	21,335	(280)	269,259	797,017	-	797,017
Changes in equity for 2022:										
Profit for the year		-	-	-	-	-	139,369	139,369	(91)	139,278
Other comprehensive income	10	-	-	-	(13,365)	193	-	(13,172)	-	(13,172)
Total comprehensive income		-	-	-	(13,365)	193	139,369	126,197	(91)	126,106
Appropriation of reserve	32(c)(ii)	-	-	8,100	-	-	(8,100)	-	-	-
Appropriation of dividends	32(b)	-	-	-	-	-	(35,051)	(35,051)	-	(35,051)
Issuance of ordinary shares, net of issuance costs	32(c)	58,033	-	-	-	-	-	58,033	-	58,033
Shares of other reserve of associates		-	(6)	-	-	-	-	(6)	-	(6)
Balance at December 31, 2022		502,654	26,333	43,843	7,970	(87)	365,477	946,190	(91)	946,099

The notes on pages 116 to 248 form part of these financial statements. 第116至248頁的附註構成該等財務報表的一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended December 31, 2023 (Expressed in US dollar ("USD"))
截至2023年12月31日止年度 (以美元「美元」列示)

		Attributable to equity shareholders of the Company 本公司權益股東應佔								
		Share capital	Other reserve	PRC statutory reserve	Exchange reserve	Fair value reserve (non-recycling)	Retained profits	Total	Non-controlling interests	Total equity
		USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
		千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元
		股本	其他儲備	中國法定儲備	匯兌儲備	公允價值儲備 (不可回撥)	保留利潤	總計	非控股權益	權益總額
		Note								
		附註								
Balance at January 1, 2023	於2023年1月1日的結餘	502,854	26,333	43,843	7,970	(87)	365,477	946,190	(91)	946,099
Changes in equity for 2023:	2023年的權益變動:									
Loss for the year	年內虧損	-	-	-	-	-	(37,137)	(37,137)	(13)	(37,150)
Other comprehensive income	其他全面收益	-	-	-	(10,861)	21	-	(10,840)	-	(10,840)
Total comprehensive income	全面收益總額	-	-	-	(10,861)	21	(37,137)	(47,977)	(13)	(47,990)
Appropriation of reserve	發行儲備	-	-	4,233	-	-	(4,233)	-	-	-
Appropriation of dividends	發行股息	-	-	-	-	-	(36,691)	(36,691)	-	(36,691)
Issuance of ordinary shares, net of issuance costs	發行普通股 (扣除發行成本)	99,205	-	-	-	-	-	99,205	-	99,205
Shares of other reserve of associates	應佔聯營公司的其他儲備	-	(2)	-	-	-	-	(2)	-	(2)
Balance at December 31, 2023	於2023年12月31日的結餘	601,859	26,331	48,076	(2,891)	(66)	287,416	960,725	(104)	960,621

The notes on pages 116 to 248 form part of these financial statements. 第116至248頁的附註構成該等財務報表的一部分。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended December 31, 2023 (Expressed in US dollar ("USD"))
截至2023年12月31日止年度 (以美元「美元」列示)

		Year ended December 31, 截至12月31日止年度	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
		Note 附註	
Operating activities	經營活動		
Cash (used in)/generated from operations	經營(所用)/所得現金	22(c)	(161,357) 46,339
Tax paid	已付稅項	27(a)	(16,331) (28,426)
Tax refund	已退稅項	27(a)	3,987 5,151
Net cash (used in)/generated from operating activities	經營活動(所用)/所得現金淨額		(173,701) 23,064
Investing activities	投資活動		
Payment for the acquisition of properties, plants and equipment	收購物業、廠房及設備的付款		(88,342) (72,186)
Proceeds from disposal of properties, plants and equipment	出售物業、廠房及設備所得款項		3,690 662
Payment for disposal of leases	出售租賃的付款		(1,226) -
Proceeds from disposal of financial assets measured at FVPL other than convertible bonds	出售以公允價值計量且其變動計當期損益的金融資產的所得款項(可換股債券除外)		244,619 255,018
Payment for acquisition of financial assets measured at FVPL other than convertible bonds	收購以公允價值計量且其變動計當期損益的金融資產的付款(可換股債券除外)		(243,862) (253,555)
Acquisition of interest in associates, net	收購於聯營公司的權益, 淨額		- (50,340)
Proceeds from disposal of convertible bonds	出售可換股債券的所得款項		19,317 -
Interest received	已收利息	6(a)	7,844 3,959
Net cash used in investing activities	投資活動所用現金淨額		(57,960) (116,442)

The notes on pages 116 to 248 form part of these financial statements. 第116至248頁的附註構成該等財務報表的一部分。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended December 31, 2023 (Expressed in US dollar ("USD"))
截至2023年12月31日止年度 (以美元「美元」列示)

		Year ended December 31, 截至12月31日止年度	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
		Note 附註	
Financing activities	融資活動		
Capital element of lease rental paid	已付租賃租金資本部分	22(d)	(6,346)
Interest element of lease rental paid	已付租賃租金利息部分	22(d)	(590)
Proceeds from new bank loans	新銀行貸款的所得款項	22(d)	346,345
Repayment of bank loans	償還銀行貸款	22(d)	(348,834)
Interest paid	已付利息	22(d)	(8,816)
Decrease/(increase) in pledged deposits for banking facilities	銀行融資抵押存款 減少/(增加)		16,829
Proceeds from issuance of ordinary shares	發行普通股所得款項	32(c)	100,168
Share issuance costs paid	已付股份發行成本	32(c)	(963)
Dividends paid to equity shareholders of the Company	已付本公司權益股東的股息	32(b)	(36,691)
Net cash generated from/(used in) financing activities	融資活動所得/(所用) 現金淨額		61,102
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額		(170,559)
Cash and cash equivalents at the beginning of the year	年初現金及現金等價物	22(a)	466,713
Effect of foreign exchange rate changes	外匯匯率波動的影響		183
Cash and cash equivalents at the end of the year	年末現金及現金等價物	22(a)	296,337

The notes on pages 116 to 248 form part of these financial statements. 第116至248頁的附註構成該等財務報表的一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in US dollar ("USD") unless otherwise indicated)
(以美元「美元」列示，除非另有指明)

1 GENERAL INFORMATION

Chervon Holdings Limited (the "Company") was incorporated in Hong Kong on February 19, 1999 as a limited liability company with its registered office at Unit 04, 22/F, Saxon Tower, 7 Cheung Shun Street, Lai Chi Kok, Kln, Hong Kong. The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on December 30, 2021.

The Company is an investment holding company. The Company and its subsidiaries (together, "the Group") are principally engaged in researching, developing, manufacturing, testing, sales, and after-sale services for power tools, outdoor power equipment and related products. The information of the principal subsidiaries is set out in Note 15.

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting periods reflected in these financial statements.

1 一般資料

泉峰控股有限公司（「本公司」）是於1999年2月19日於香港註冊成立的有限公司，註冊辦事處位於香港九龍荔枝角長順街7號西頓中心22樓04室。本公司股份於2021年12月30日於香港聯合交易所有限公司主板上市。

本公司為一間投資控股公司。本公司及其附屬公司（合稱「本集團」）主要從事電動工具、戶外動力設備及相關產品的研究、開發、製造、測試、銷售及售後服務。主要附屬公司的資料載於附註15。

2 重大會計政策

(a) 合規聲明

該等財務報表乃根據所有適用的香港財務報告準則（「香港財務報告準則」）編製，該統稱詞語包括香港會計師公會（「香港會計師公會」）發佈的所有適用的個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋及香港公司條例的規定。該等財務報表亦遵守香港聯合交易所有限公司證券上市規則的適用披露條文。本集團採納的重大會計政策披露於下文。

香港會計師公會已發佈首次生效或可於本集團的當前會計期間提早採納的香港財務報告準則之若干修訂。開始應用該等與本集團有關的現時會計期間的會計政策變動已於該等財務報表內反映，有關資料載列於附註2(c)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in US dollar ("USD") unless otherwise indicated)
(以美元「美元」列示，除非另有指明)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the financial statements

The consolidated financial statements of the Group for the year ended December 31, 2023 comprise the Company and its subsidiaries and the Group's interest in an associate.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies as set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

2 重大會計政策 (續)

(b) 財務報表編製基準

本集團截至2023年12月31日止年度的綜合財務報表包括本公司及其附屬公司以及本集團於聯營公司的權益。

編製綜合財務報表時使用的計量基準為歷史成本法，但以下資產及負債按下文會計政策中解釋的公允價值列示。

編製符合香港財務報告準則之財務報表要求管理層須作出判斷、估計及假設，而該等判斷、估計及假設會影響政策應用以及所呈報之資產、負債、收入及開支金額。此等估計及相關假設乃基於過往經驗及在有關情況下被認為屬合理之各項其他因素，而所得結果乃用作判斷顯然無法輕易透過其他來源獲得有關資產與負債賬面值之依據。實際結果或有別於此等估計。

此等估計及相關假設會持續審核。若會計估計的修訂僅影響作出修訂的期間，將會於該期間確認，若修訂影響當期及未來期間，則會於作出修訂及其後期間確認。

附註3討論了管理層在應用香港財務報告準則時作出的對財務報表有重大影響的判斷以及估計不確定性的主要來源。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in US dollar ("USD") unless otherwise indicated)
(以美元「美元」列示，除非另有指明)

2 MATERIAL ACCOUNTING POLICIES 2 重大會計政策(續) (CONTINUED)

(c) Changes in accounting policies

The Group has applied the following new and amended HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 1, *Presentation of financial statements* and HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new and amended HKFRSs are discussed below:

HKFRS 17, *Insurance contracts*

HKFRS 17, which replaces HKFRS 4, sets out the recognition, measurement, presentation and disclosure requirements applicable to issuers of insurance contracts. The standard does not have a material impact on these financial statements as the Group does not have contracts within the scope of HKFRS 17.

(c) 會計政策變動

本集團已於本會計期間對此等財務報表應用下列由香港會計師公會頒佈之新訂及經修訂香港財務報告準則：

- 香港財務報告準則第17號，*保險合約*
- 香港會計準則第8號修訂本，*會計政策、會計估計變更及差錯：會計估計的定義*
- 香港會計準則第1號修訂本，*財務報表之呈列及香港財務報告準則實務報告第2號修訂本*，作出重大判斷：會計政策之披露
- 香港會計準則第12號修訂本，*所得稅：與單一交易產生的資產及負債相關的遞延稅項*；
- 香港會計準則第12號修訂本，*所得稅：國際稅制改革 – 第二支柱模型規則*

本集團尚未應用於本會計期間尚未生效的任何新準則或詮釋。採納新訂及經修訂香港財務報告準則的影響討論如下：

香港財務報告準則第17號，*保險合約*

香港財務報告準則第17號取代香港財務報告準則第4號，載列適用於保險合約發行人的確認、計量、呈列及披露規定。由於本集團並無香港財務報告準則第17號範圍內的合約，故該準則對該等財務報表並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in US dollar ("USD") unless otherwise indicated)
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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (continued)

Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*

The amendments provide further guidance on the distinction between changes in accounting policies and changes in accounting estimates. The amendments do not have a material impact on these financial statements as the Group's approach in distinguishing changes in accounting policies and changes in accounting estimates is consistent with the amendments.

Amendments to HKAS 1, *Presentation of financial statements* and HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*

The amendments require entities to disclose material accounting policy information and provide guidance on applying the concept of materiality to accounting policy disclosure. The Group has revisited the accounting policy information it has been disclosing and considered it is consistent with the amendments.

Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

The amendments narrow the scope of the initial recognition exemption such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

2 重大會計政策 (續)

(c) 會計政策變動 (續)

香港會計準則第8號修訂本，*會計政策、會計估計變更及差錯：會計估計的定義*

該等修訂就區分會計政策變動與會計估計變動提供進一步指引。由於本集團區分會計政策變動及會計估計變動的方法與該等修訂一致，故該等修訂對該等財務報告並無重大影響。

香港會計準則第1號修訂本，*財務報表之呈列*及香港財務報告準則實務報告第2號修訂本，*作出重大判斷：會計政策之披露*

該等修訂要求實體披露重大會計政策資料，並就對會計政策披露應用重要性的概念提供指引。本集團已重新審視其已披露的會計政策資料，並認為其與該等修訂一致。

香港會計準則第12號修訂本，*所得稅：與單一交易產生的資產及負債相關的遞延稅項*

該等修訂縮小了初始確認豁免的範圍，使其不適用於在初始確認時產生相等及抵銷暫時差額的交易（如租賃及棄置負債）。就租賃及棄置負債而言，相關遞延稅項資產及負債須自呈列的最早比較期間開始時確認，而任何累計影響確認為對當日保留盈利或權益的其他組成部分的調整。就所有其他交易而言，該等修訂適用於所呈列最早期間開始後發生的交易。

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綜合財務報表附註

(Expressed in US dollar ("USD") unless otherwise indicated)
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2 MATERIAL ACCOUNTING POLICIES (CONTINUED) 2 重大會計政策(續)

(c) Changes in accounting policies (continued)

Prior to the amendments, the Group did not apply the initial recognition exemption to lease transactions and had recognized the related deferred tax, except that the Group previously determined the temporary difference arising from a right-of-use asset and the related lease liability on a net basis on the basis they arise from a single transaction. Following the amendments, the Group has determined the temporary differences in relation to right-of-use assets and lease liabilities separately. The change primarily impacts disclosures of components of deferred tax assets and liabilities in note 27(b), but does not impact the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualify for offsetting under HKAS 12.

Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*

The amendments introduce a temporary mandatory exception from deferred tax accounting for the income tax arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD") (income tax arising from such tax laws is hereafter referred to as "Pillar Two income taxes"), including tax laws that implement qualified domestic minimum top-up taxes described in those rules. The amendments also introduce disclosure requirements about such tax including the estimated tax exposure to Pillar Two income taxes. The amendments are immediately effective upon issuance and require retrospective application. The Group provided the additional disclosures in note 7(c).

(c) 會計政策變動(續)

於修訂前，本集團並無對租賃交易應用初始確認豁免，並已確認相關遞延稅項，惟本集團先前按淨額基準釐定使用權資產及相關租賃負債所產生的暫時差額（基於其產生自單一交易）除外。於修訂後，本集團已單獨釐定與使用權資產及租賃負債有關的暫時差額。該變動主要影響附註27(b)遞延稅項資產及負債組成部分的披露，但由於相關遞延稅項結餘根據香港會計準則第12號合資格抵銷，故不會影響綜合財務狀況表呈列的整體遞延稅項結餘。

香港會計準則第12號修訂本，*所得稅：國際稅制改革 – 第二支柱模型規則*

該修訂在遞延所得稅入賬中引入一個暫時性強制豁免，即實施由經濟合作與發展組織（「經濟合作與發展組織」）發佈的第二支柱模型規例而頒佈或實質性頒佈的稅法產生的所得稅（該等稅法產生的所得稅在下文稱為「第二支柱所得稅」），包括實施該等規則中所述的符合條件的國內最低補足稅的稅法。該等修訂亦引入有關該稅項的披露規定，包括第二支柱所得稅的估計稅項風險。該等修訂於發行後即時生效，並須追溯應用。本集團於附註7(c)提供額外披露。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests ("NCI") and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(k)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

2 重大會計政策 (續)

(d) 附屬公司及非控股權益

附屬公司乃由本集團所控制的實體。當本集團能透過其參與承擔或享有實體可變回報的風險或權利，並能夠向實體使用其權力影響回報金額，即對該實體擁有控制權。附屬公司的財務報表自控制開始日直至控制終止日併入綜合財務報表。

集團內部往來的結餘及交易，以及集團內部往來的交易所產生的任何未變現收入及開支（外幣交易收益或虧損除外）均予以抵銷。集團內部交易所產生的未變現虧損的抵銷方法與未變現收益相同，但只限於沒有減值證據的情況下。

本集團將不導致喪失控股權的附屬公司權益的變動按權益交易方式入賬。

當本集團失去對附屬公司的控制權時，其終止確認附屬公司的資產及負債以及任何相關非控股權益（「非控股權益」）及其他權益部分。任何所產生的盈虧於損益中確認。任何在喪失控股權日仍保留於該前度附屬公司的權益按公允價值確認。

於本公司財務狀況表中，除非投資被列為持作出售（或列入分類為持作出售的出售組別），於附屬公司的投資按成本減減值虧損列賬（見附註2(k)(ii)）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in US dollar ("USD") unless otherwise indicated)
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2 MATERIAL ACCOUNTING POLICIES (CONTINUED) 2 重大會計政策(續)

(e) Associates

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies.

An interest in an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognized at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the Group's net investment in the associate after applying the ECL model to such other long-term interests where applicable.

Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent there is no evidence of impairment.

(e) 聯營公司

聯營公司為本集團或本公司對其有重大影響力但對其財務及經營政策並無控制權或聯合控制權的實體。

於聯營公司的權益按權益法列賬，除非其分類為持作出售（或列入分類為持作出售的出售組別）。其初步按成本確認，包括交易成本。其後，綜合財務報表包括本集團應佔該等被投資公司的損益及其他全面收益（「其他全面收益」），直至重大影響力終止當日為止。

當本集團分佔虧損超過其於聯營公司的權益時，本集團的權益減少至零且終止確認進一步虧損，惟本集團已產生法定或推定責任或代表被投資方作出付款則除外。就此而言，本集團的權益為根據權益法計量的投資的賬面值，連同實質上構成本集團於聯營公司的投資淨額的一部分的任何其他長期權益，並將預期信貸虧損模式應用於該等其他長期權益（如適用）。

與以權益法入賬的被投資公司進行交易產生的未變現收益以本集團於被投資公司的權益為限與投資抵銷。未實現虧損的抵銷方法與未實現收益相同，但僅限於沒有減值證據的情況。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries and an associates, are set out below.

Investments in securities are recognized/derecognized on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognized directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 33(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

- amortized cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(v)(ii)), foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2 重大會計政策 (續)

(f) 於證券的其他投資

除對附屬公司及聯營公司的投資外，本集團的證券投資政策如下所示。

證券投資於本集團承諾購買該等投資之日予以確認或於目標集團承諾出售該等投資之日終止確認。該等投資初步按公允價值加直接應佔交易成本列賬，惟以公允價值計量且其變動計入當期損益之投資除外，有關投資之交易成本直接於損益確認。有關本集團如何確定金融工具公允價值的解釋，請參閱附註33(e)。該等投資其後根據其分類按如下方式入賬。

(i) 非股本投資

非股本投資歸入以下其中一個計量類別：

- 按攤銷成本，倘持有投資的目的為收取合約現金流量，即純粹為獲得本金及利息付款。預期信貸虧損、使用實際利率法計算的利息收入（見附註2(v)(ii)）及匯兌收益及虧損於損益中確認。終止確認的任何收益或虧損於損益中確認。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED) 2 重大會計政策(續)

(f) Other investments in securities (continued)

(i) Non-equity investments (continued)

- fair value through other comprehensive income (FVOCI) - recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognized in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognized in OCI. When the investment is derecognized, the amount accumulated in OCI is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortized cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognized in OCI. Such elections are made on an instrument-by-instrument basis but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognized in profit or loss as other income (see note 2(v)(ii)).

(f) 於證券的其他投資(續)

(i) 非股本投資(續)

- 以公允價值計量且其變動計入其他全面收益(以公允價值計量且其變動計入其他全面收益)－可劃轉，倘投資的合約現金流量僅包括本金及利息付款，且投資乃按其目的為同時收取合約現金流量及出售的業務模式持有。預期信貸虧損、利息收入(使用實際利率法計算)及匯兌收益及虧損於損益中確認，並按與金融資產按攤銷成本計量相同的方式計算。公允價值與攤銷成本之間的差額於其他全面收益中確認。當終止確認投資時，於其他全面收益累計的金額由權益劃轉至損益。
- 按公允價值計入損益，倘投資不符合按攤銷成本或按公允價值計入其他全面收益(可劃轉)計量的標準。投資的公允價值變動(包括利息)於損益中確認。

(ii) 股本投資

於股本證券的投資分類為以公允價值計量且其變動計入當期損益，除非投資並非持作買賣用途，且於初次確認時，本集團不可撤回地選擇指定投資為以公允價值計量且其變動計入其他全面收益(不可劃轉)，以致公允價值的後續變動於其他全面收益確認。該等選擇乃按工具逐個作出，惟僅當發行人認為投資符合權益定義時方可作出。倘就特定投資做出該選擇，出售時，於公允價值儲備(不可劃轉)累計的金額轉撥至保留盈利，而非透過損益賬劃轉。來自股本證券(不論分類為以公允價值計量且其變動計入當期損益或以公允價值計量且其變動計入其他全面收益)投資的股息，均於損益確認為其他收益(見附註2(v)(ii))。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Derivative financial instruments

The Group holds derivative financial instruments to manage its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognized in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation.

(h) Property, plant and equipment

Property, plant and equipment are stated at cost (which is, in the case of assets acquired in a business combination, the acquisition date fair value). Items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see Note 2(k)(ii)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

2 重大會計政策 (續)

(g) 衍生金融工具

本集團持有衍生金融工具以管理其外幣及利率風險。倘主合約並非金融資產且符合若干標準，則嵌入式衍生工具與主合約分開入賬。

衍生工具初步按公允價值計量。其後，該等衍生工具按公允價值計量，其變動於損益確認，惟若該等衍生金融工具符合資格作現金流量對沖或作為海外業務淨投資對沖則除外。

(h) 物業、廠房及設備

物業、廠房及設備按成本(就業務合併中購入資產而言，為收購日期公允價值)列賬。物業、廠房及設備項目按成本(包括資本化借款成本)減去累計折舊及累計減值虧損列賬(見附註2(k)(ii))。

如物業、廠房及設備項目中的重大部分有不同的可使用年期，則計作獨立項目(主要組成部分)。

出售物業、廠房及設備的收入或虧損於損益確認。

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2 MATERIAL ACCOUNTING POLICIES 2 重大會計政策(續) (CONTINUED)

(h) Property, plant and equipment (continued)

Depreciation is calculated to write off the cost of property, plant and equipment, less their estimated residual values, if any, using the straight line method over their estimated useful lives, and is generally recognized in profit or loss.

(h) 物業、廠房及設備(續)

折舊乃按物業、廠房及設備的估計可使用年期以直線法撇銷其成本減估計剩餘價值(如有)計算，通常於損益確認。

		Estimated useful life 估計可使用年期
Leasehold land (see Note 2(j))	租賃土地(見附註2(j))	over the period of leases 租期
Plant and buildings	廠房及樓宇	20 years or remaining lease terms 20年或剩餘租期
Machinery and equipment	機器及設備	5 – 10 years 5至10年
Software and office equipment	軟件及辦公設備	3 – 5 years 3至5年
Motor vehicles	汽車	5 – 10 years 5至10年

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

折舊方法、可使用年期及剩餘價值於各報告日期檢討，並於適當時作出調整。

Construction in progress represents properties under construction and machinery and equipment pending installation and is stated at cost (which is, in the case of assets acquired in a business combination, the acquisition date fair value) less impairment losses (see Note 2(k)(ii)). Cost comprises the purchase costs of the asset and the related construction and installation costs.

在建工程指在建物業及待安裝的機器設備，且按成本(若為業務合併中所收購的資產，則為收購日期的公允價值)減減值虧損列賬(見附註2(k)(ii))。成本包括資產購買成本以及相關建設及安裝成本。

Construction in progress is transferred to property, plant and equipment when the asset is substantially ready for its intended use and depreciation will be provided at the appropriate rates in accordance with the depreciation policies specified above.

在建工程於資產大致可用作其擬定用途時轉為物業、廠房及設備，且折舊將根據上述折舊政策按適用比率進行計提。

No depreciation is provided in respect of construction in progress.

並無就在建工程計提折舊。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Intangible assets (other than goodwill)

Expenditure on research activities is recognized in profit or loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognized in profit or loss as incurred. Capitalized development expenditure is subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost (the acquisition date fair value) less accumulated amortization and any accumulated impairment losses (see Note 2(k)(ii)).

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognized in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

		Estimated useful life
		估計可使用年期
Patents	專利	10 years 10年
Trademarks	商標	10 years 10年

2 重大會計政策 (續)

(i) 無形資產 (商譽除外)

研究活動的支出在產生時於損益確認。開發支出僅在支出能夠可靠計量、產品或過程在技術及商業上可行、未來經濟利益有可能獲得及本集團有意並有足夠資源完成開發及使用或出售所產生的資產時予以資本化。否則，開發支出在產生時於損益確認。資本化開發支出其後按成本減累計攤銷及任何累計減值虧損計量。

本集團收購的具有有限可使用年期的無形資產按成本(收購日期的公允價值)減累計攤銷及任何累計減值虧損計量(見附註2(k)(ii))。

攤銷按無形資產的估計可使用年期(如有)以直線法撇銷其成本減估計剩餘價值計算，通常於損益確認。

本期間及比較期間的估計可使用年期如下：

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Intangible assets (other than goodwill) (continued)

The patents and trademark of the Group is associated with different products arising from the combination and acquisition from a third party. The useful lives of patents and trademark are estimated based on the remaining period of economic benefits to be derived from the respective products to be produced relying on the acquired patents and product trademark.

The Group estimates the period of economic benefits to be derived from the respective products based on the expected time period required from its discovery to commercialization and other factors, including the patent protection period, the historical life of similar products, the characteristics of such technologies, their update frequency and market requirement and competition. Based on such assessment, the Group considers that the expected economic useful lives of the patents and trademark held by the Group are 10 years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

2 重大會計政策(續)

(i) 無形資產(商譽除外)(續)

本集團的專利及商標與合併和向第三方收購產生的不同產品相關。專利及商標的使用年期根據依賴於所獲得的專利及產品商標生產的各產品所產生的剩餘經濟利益期限估算。

本集團根據自發現到商業化所需的預期時間以及其他因素(包括專利保護期限、類似產品的歷史壽命、有關技術的特徵、其更新頻率及市場需求與競爭)估計將自各產品產生經濟利益的期間。根據該評估，本集團認為本集團持有的專利及商標的預期經濟可使用年期為10年。

攤銷方法、可使用年期及剩餘價值於各報告日期檢討，並於適當時作出調整。

(j) 租賃資產

本集團於合約初始評估有關合約是否屬租賃或包含租賃。倘合約為換取代價而給予在一段時間內控制使用可識別資產的權利，則該合約屬於租賃或包含租賃。當客戶既有權直接使用已識別資產，又有權從該使用中獲得幾乎所有的經濟利益時，即擁有控制權。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Leased assets (continued)

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less and leases of low-value items. When the Group enters into a lease in respect of a low-value items, the Group decides whether to capitalize the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognized in profit or loss on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is recognized using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and are charged to profit or loss as incurred.

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(h) and 2(k)(ii)).

2 重大會計政策 (續)

(j) 租賃資產 (續)

(i) 作為承租人

倘合約包含租賃部分及非租賃部分，本集團選擇不區分非租賃部分及將各租賃部分及任何關聯非租賃部分入賬列為所有租賃的單一租賃部分。

於租賃開始日期，本集團確認使用權資產及租賃負債（租賃期為12個月或更短的租賃以及低價值項目租賃除外）。當本集團就低價值項目訂立租賃時，本集團按每項租賃情況決定是否將租賃資本化。倘租賃未資本化，相關租賃付款於租賃期內按系統基準於損益確認。

當租賃已資本化，租賃負債初步按租期應付租賃付款現值確認，並按租賃中所隱含的利率貼現，或倘該利率無法即時釐定，則以相關增量借款利率貼現。於初步確認後，租賃負債按攤銷成本計量，而利息開支則採用實際利率法確認。租賃負債的計量並不包括不依賴指數或利率的可變租賃付款，因此可變租賃付款在產生時於損益扣除。

於租賃資本化時確認的使用權資產初步按成本計量，包括就於開始日期或之前作出的任何租賃付款調整的租賃負債的初始金額，加上所產生的任何初始直接成本及拆卸及移除相關資產或恢復相關資產或其所在地原貌的估計成本，減任何已收租賃優惠。使用權資產隨後按成本減去累計折舊及減值虧損列賬（見附註2(h)及2(k)(ii)）。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED) 2 重大會計政策(續)

(j) Leased assets (continued)

(i) As a lessee (continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

The Group presents "right-of-use assets" and presents "lease liabilities" separately in the consolidated statement of financial position. The current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(j) 租賃資產(續)

(i) 作為承租人(續)

當未來租賃付款因某一指數或比率變動而變更，或當本集團根據殘值擔保估計預期應付的金額有變，或倘本集團是否將行使購買、續租或終止選擇權的評估發生變動，則重新計量租賃負債。按此方式重新計量租賃負債時，使用權資產的賬面值將作相應調整，或倘使用權資產的賬面值已減至零，則於損益內列賬。

當發生租賃修訂時，租賃負債亦會重新計量，即租賃範圍或租賃合約原先並無規定的租賃代價出現變動(倘有關修訂並非作為單獨租賃入賬)。在此情況下，租賃負債根據經修訂租賃付款及租期，使用經修訂貼現率於修訂生效日期重新計量。

本集團於綜合財務狀況表分別呈列「使用權資產」及「租賃負債」。長期租賃負債的即期部分釐定為應於報告期後十二個月內結算的合約付款現值。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Leased assets (continued)

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognized in accordance with Note 2(v)(ii).

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognizes a loss allowance for expected credit losses ("ECL"s) on financial assets measured at amortized cost (including cash and cash equivalents and trade and other receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate.

2 重大會計政策 (續)

(j) 租賃資產 (續)

(ii) 作為出租人

本集團於租賃開始時釐定各項租賃為融資租賃或經營租賃。倘其將相關資產所有權附帶的絕大部分風險及回報轉移至承租人，則租賃分類為融資租賃。如不屬此情況，則租賃分類為經營租賃。

當合約包含租賃及非租賃部分，本集團按相對獨立的銷售價格將合約中代價分配到各部分。經營租賃的租金收入根據附註2(v)(ii)確認。

(k) 信貸虧損及資產減值

(i) 來自金融工具的信貸虧損

本集團就按攤銷成本計量之金融資產(包括現金及現金等價物、貿易及其他應收款項)的預期信貸虧損(「預期信貸虧損」)確認虧損撥備。

計量預期信貸虧損

預期信貸虧損為按概率加權估計的信貸虧損。一般而言，信貸虧損按合約及預期金額之間的所有預期現金差額的現值計量。

倘貼現的影響重大，預期現金差額將使用以下貼現率貼現：

- 固定利率金融資產和貿易及其他應收款項：初步確認時釐定的實際利率或其近似值；及
- 浮動利率金融資產：當前的實際利率。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets (continued)

(i) *Credit losses from financial instruments (continued)*

Measurement of ECLs (continued)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments (including loan commitments issued) for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade and other receivables are always measured at an amount equal to lifetime ECLs.

2 重大會計政策(續)

(k) 信貸虧損及資產減值(續)

(i) 來自金融工具的信貸虧損(續)

計量預期信貸虧損(續)

於估計預期信貸虧損時考慮的最長期間為本集團承受信用風險的最長合約期間。

預期信貸虧損基於下列其中一項基準計量：

- 12個月的預期信貸虧損：其為於報告日期後12個月內(或倘工具的預期年期少於12個月，則為較短期間)可能發生的違約事件導致的預期信貸虧損部分；及
- 整個存續期的預期信貸虧損：預計該等採用預期信貸虧損模型的項目在預計的整個存續期內所有可能發生的違約事件而導致的預期信貸虧損。

本集團按等於整個存續期預期信貸虧損的金額計量虧損撥備，惟以下按12個月預期信貸虧損計量：

- 於報告日期被釐定為具有低信貸風險的金融工具；及
- 其他金融工具(包括已發出的貸款承諾)的信貸風險(即於金融工具的預期年內發生的違約風險)自初始確認以來並無顯著增加。

貿易及其他應收款項的虧損撥備始終按等於整個存續期預期信貸虧損的金額計量。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets (continued)

(i) *Credit losses from financial instruments (continued)*

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

2 重大會計政策 (續)

(k) 信貸虧損及資產減值 (續)

(i) 來自金融工具的信貸虧損 (續)

信用風險顯著增加

在確定金融工具 (包括貸款承諾) 的信貸風險自初始確認後是否顯著增加及計量預期信貸虧損時，本集團考慮無須付出不必要的額外成本或努力即可獲得的合理且有依據的信息。此包括根據本集團的過往經驗及已知信貸評估得出的定量及定性資料及分析，並包括前瞻性資料。

本集團假設，倘金融資產逾期超過30日，其信貸風險會大幅增加。

本集團認為金融資產於下列情況下為違約：

- 債務人不大可能在本集團無追索權採取變現抵押 (如持有) 等行動的情況下向本集團悉數支付其信貸債務；或
- 該金融資產已逾期90天。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets (continued)

(i) *Credit losses from financial instruments (continued)*

Significant increases in credit risk (continued)

The Group considers a financial instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognized in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position.

2 重大會計政策(續)

(k) 信貸虧損及資產減值(續)

(i) 來自金融工具的信貸虧損(續)

信用風險顯著增加(續)

當金融工具的信貸風險評級等同於全球公認的「投資級別」定義時，本集團認為該金融工具的信貸風險較低。

預期信貸虧損於各報告日期重新計量，以反映金融工具自初始確認以來的信貸風險變動。預期信貸虧損金額的任何變動均於損益中確認為減值收益或虧損。本集團就所有金融工具確認減值收益或虧損，並透過虧損撥備賬對其賬面值作出相應調整，惟按公允價值計量且其變動計入其他全面收益(可劃轉)計量的非股本證券投資除外，其虧損撥備於其他全面收益確認，並於公允價值儲備(可劃轉)累計，不會減少財務狀況表中金融資產的賬面值。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets (continued)

(i) *Credit losses from financial instruments (continued)*

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter into bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

2 重大會計政策(續)

(k) 信貸虧損及資產減值(續)

(i) 來自金融工具的信貸虧損(續)

信貸減值金融資產

於各報告日期，本集團評估金融資產有否出現信貸減值。當發生一項或多項對金融資產估計未來現金流量產生不利影響的事件時，金融資產即被視為出現信貸減值。

金融資產出現信貸減值的證據包括以下可觀察事件：

- 債務人面對重大財務困難；
- 違反合約，如利息或本金付款違約或拖欠；
- 本集團根據其他情況下不會考慮之條款重組貸款或墊款；
- 債務人有可能破產或需要進行其他財務重組；或
- 發行人陷入財困導致證券失去活躍市場。

撇銷政策

若日後回收不可實現時，金融資產的賬面總值將撇銷。該情況通常出現在本集團以其他方式確定債務人並無資產或收入來源可產生足夠現金流量以償還撇銷金額。

過往撇銷資產的後續回收於回收期間於損益確認為減值撥回。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2 重大會計政策(續)

(k) 信貸虧損及資產減值(續)

(ii) 其他非流動資產減值

於各報告日期，本集團審閱其非金融資產（存貨及遞延稅項資產除外）的賬面值，以釐定是否有任何減值跡象。倘存在任何有關跡象，則會估計資產的可收回金額。每年對商譽進行減值測試。

就減值測試而言，資產納入持續使用產生現金流入的最小組別，該組別基本獨立於其他資產或現金產生單位（「現金產生單位」）的現金流入。業務合併產生的商譽分配至預期受益於合併協同效應的現金產生單位或現金產生單位組別。

資產或現金產生單位的可收回金額為其使用價值與其公允價值減出售成本兩者中的較高者。使用價值乃基於估計未來現金流量，後者使用能反映現時市場對金錢的時間價值的評估及該資產或現金產生單位的特有風險的除稅前折現率折減至其現值。

倘資產或現金產生單位的賬面值超過其可收回金額，則確認減值虧損。

減值虧損於損益內確認。減值虧損首先用以調低分攤至現金產生單位的任何商譽的賬面值，然後按比例調低現金產生單位內其他資產的賬面值。

有關商譽之減值虧損將不予撥回。就其他資產而言，僅當所產生的賬面值不超過假設並無確認減值虧損而應釐定的賬面值（已扣除折舊或攤銷）方可撥回減值虧損。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Credit losses and impairment of assets (continued)

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(k)(i) and (ii)).

(l) Inventories

Inventories are measured at the lower of cost and net realizable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of work in progress, costs include direct labour and appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Net realizable value represents the estimated selling price less any estimated costs of completion and costs to be incurred in selling the property.

2 重大會計政策 (續)

(k) 信貸虧損及資產減值 (續)

(iii) 中期財務報告及減值

香港聯合交易所有限公司證券上市規則規定，本集團須遵守香港會計準則第34號「中期財務報告」之規定編製有關財政年度首六個月的中期財務報告。於中期期末，本集團應用於財政年度末所應用的相同減值測試、確認及撥回規限（見附註2(k)(i)及(ii)）。

(l) 存貨

存貨按成本與可變現淨值中的較低者計量。

成本按加權平均成本法計算，包括所有採購成本、加工成本及將存貨運至現時地點及達致現狀產生的其他成本。就在製品而言，成本包括直接勞工以及適當比例的間接成本（根據正常運營能力計算）。

可變現淨值按日常業務過程中的估計售價減完成生產及銷售所需估計成本計算。

可變現淨值指估計售價減任何完成生產所需估計成本及出售物業將產生的成本。

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2 MATERIAL ACCOUNTING POLICIES 2 重大會計政策(續) (CONTINUED)

(m) Contract liabilities

A contract liability is recognized when the customer pays consideration before the Group recognizes the related revenue (see Note 2(v)). A contract liability is also recognized if the Group has an unconditional right to receive consideration before the Group recognizes the related revenue. In such latter cases, a corresponding receivable is also recognized (see Note 2(n)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(v)(i)).

(n) Trade and other receivables

A receivable is recognized when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortized cost (see Note 2(k)(i)).

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see Note 2(k)(i)).

(m) 合約負債

倘客戶於本集團確認相關收益之前支付代價，則確認合約負債(見附註2(v))。倘本集團擁有無條件權利可於本集團確認相關收益前收取代價，亦將確認合約負債。在該等情況下，亦將確認相應的應收款項(見附註2(n))。

合約計及重大融資部分時，合約結餘計及按實際利率法累計的利息(見附註2(v)(i))。

(n) 貿易及其他應收款項

應收款項於本集團具無條件收取代價的權利且僅隨時間推移代價即會成為到期時予以確認。

包含重大融資部分的貿易應收款項及其他應收款項初步按公允價值加交易成本計量。所有應收款項其後按攤銷成本列賬(見附註2(k)(i))。

(o) 現金及現金等價物

現金及現金等價物包括銀行存款及手頭現金、銀行及其他金融機構的活期存款以及其他可隨時兌換為已知數額現金的短期高流動性投資(該等投資所面對的價值變動風險並不重大，並於購入起計三個月內到期)。現金及現金等價物就預期信貸虧損進行評估(見附註2(k)(i))。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(p) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortized cost using the effective interest method. Interest expense is recognized in accordance with Note 2(y).

(q) Trade and other payables (other than refund liabilities)

Trade and other payables are initially recognized at fair value. Subsequent to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(r) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring.

2 重大會計政策 (續)

(p) 計息借款

計息借款初始按公允價值減交易成本計量。其後，該等借款採用實際利率法按攤銷成本列賬。利息支出根據附註2(y)確認。

(q) 貿易及其他應付款項 (退款負債除外)

貿易及其他應付款項初始按公允價值確認。於初步確認後，貿易及其他應付款項按攤銷成本列賬，除貼現影響微小則作別論，在此情況下，則按發票金額列賬。

(r) 僱員福利

(i) 短期僱員福利及向界定供款退休計劃供款

短期僱員福利於提供相關服務時支銷。倘本集團因僱員過往提供的服務而有支付該金額的現有法定或推定責任，且該責任能夠可靠估計，則就預期將支付的金額確認負債。

界定供款退休計劃的供款責任於提供相關服務時支銷。

(ii) 終止福利

終止福利於本集團不再可撤回該等福利要約時及本集團確認重組成本時 (以較早者為準) 支銷。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED) 2 重大會計政策(續)

(r) Employee benefits (continued)

(iii) Defined benefit retirement plans obligations

The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Service cost and net interest expense (income) on the net defined benefit liability (asset) are recognized in profit or loss and allocated by function as part of "cost of sales", "selling and distribution expenses" or "administrative expenses". Current service cost is measured as the increase in the present value of the defined benefit obligation resulting from employee service in the current period. Net interest expense (income) for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the net defined benefit liability (asset). The discount rate is the yield at the end of the reporting period on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

(r) 僱員福利(續)

(iii) 界定福利退休計劃義務

本集團就界定福利退休計劃承擔的負債淨值通過估算僱員在當前及以往期限因其服務所賺取的未來利益總額分別對每個計劃進行計算；在釐定現值時該項利益須予以折讓。由合格的精算師使用預計單位信貸法進行計算。一旦計算導致為集團帶來利益，認可資產應僅限於來自計劃任何未來退款或未來出資減少的方式獲得的經濟利益的現值。

界定福利負債(資產)淨值中的服務費用和利息費用(收入)淨值應計入利潤或虧損中，通過履行作為「銷售成本」、「銷售及分銷開支」或「行政開支」的部分職責的方式進行分配。當前服務費用在由於僱員服務在當前期限產生的界定福利債務現值增加時計算。相應期限的利息費用(收入)淨值應通過使用報告期初時用來測量界定福利債務的折讓利率與界定福利負債(資產)淨值進行計算。貼現率為優質公司債券(到期日與本集團履行義務的期限相近)在報告期末的收益率。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Employee benefits (continued)

(iii) Defined benefit retirement plans obligations (continued)

When the benefits of a plan are changed, or when a plan is curtailed, current service cost for the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognized as an expense in profit or loss at the earlier of when the plan amendment or curtailment occurs and when related restructuring costs or termination benefits are recognized.

Remeasurements arising from defined benefit retirement plans are recognized in other comprehensive income and reflected immediately in retained earnings. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability (asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability (asset)).

(s) Share-based payments

The fair value of share-based payment awards granted to employees is recognized as an employee cost with a corresponding increase in a reserve within equity. The fair value is measured at grant date by reference to the market price or the valuer's valuation of the underlying shares. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the shares, the total estimated fair value of the shares is spread over the vesting period, taking into account the probability that the shares will vest.

During the vesting period, the number of shares that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognized in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognized as an expense is adjusted to reflect the actual number that vest (with a corresponding adjustment to the reserve).

2 重大會計政策 (續)

(r) 僱員福利 (續)

(iii) 界定福利退休計劃義務 (續)

當計劃的利益被改變或計劃被縮減時，與僱員過去的服務有關的改變的利益部分的當期服務成本或減少的損益被確認為損益中的支出。在發生計劃修訂或縮減時以及在確認相關的重組費用或終止利益時，以較早者為準。

由於界定福利退休計劃產生的重新測量金額計入其他綜合收入並立即體現於保留盈餘中。重新測量金額包括精算收益及虧損、計劃資產收益（不包括計入界定福利負債（資產）淨值利息淨值的金額）以及資產上限影響的任何變更（不包括計入界定福利負債（資產）淨值利息淨值的金額）。

(s) 以股份為基礎的付款

向僱員授出的以股份為基礎的支付獎勵的公允價值確認為僱員成本，權益內儲備作相應增加。公允價值乃於授出日期參考相關股份的市價或估值師估值計量。倘僱員須符合歸屬條件方能無條件地有權獲授股份，於計及股份會否歸屬的可能性後，便會將股份的估計公允價值總額於歸屬期內攤分。

預期歸屬的股份數目於歸屬期內審閱。已於過往年度確認的累計公允價值的任何所需調整，會於審閱年度的損益中扣除／計入，除非原有員工開支符合資格確認為資產，並對資本儲備進行相應調整。已確認為開支的數額會於歸屬日作出調整，以反映該項歸屬的實際數目（同時對儲備作出相應的調整）。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Income tax

Income tax expense comprises current tax and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

2 重大會計政策(續)

(t) 所得稅

所得稅開支包括當期稅項以及遞延稅項。其於損益確認，惟與業務合併或直接於權益或其他綜合收益確認的項目有關者則除外。

當期稅項包括年內應課稅收入或虧損的估計應付或應收稅項，以及就之前年度應付或應收稅項作出的任何調整。當期應付或應收稅項金額為預期支付或收取的稅項金額的最佳估計，反映與所得稅有關的任何不確定性。其採用於報告日期已頒佈或實質上已頒佈的稅率計量。當期稅項亦包括股息產生的任何稅項。

當期稅項資產及負債僅於符合若干標準時方可抵銷。

遞延稅項就作財務報告用途的資產及負債的賬面價值與作稅務用途金額之間的暫時差額確認。遞延稅項不會就下列各項予以確認：

- 初始確認某項不屬業務合併且對會計處理或應課稅利潤或虧損均無影響的交易的資產或負債所產生的暫時差額，亦不會產生相等的應課稅及可扣稅暫時差額；
- 有關於附屬公司、聯營企業及合營企業投資的暫時差額，僅限本集團可控制該暫時差額的撥回時間及於可見將來應不會撥回的情況；

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Income tax (continued)

- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognized deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

2 重大會計政策 (續)

(t) 所得稅 (續)

- 初步確認商譽時所產生的應課稅暫時差額；及
- 與為實施經濟合作與發展組織公佈的第二支柱模型規則而頒佈或實質頒佈的稅法所產生的所得稅有關。

本集團就租賃負債及使用權資產分別確認遞延稅項資產及遞延稅項負債。

遞延稅項資產乃就未動用稅務虧損、未動用稅務抵免及可扣減暫時差額確認，惟以日後可能有應課稅溢利可用作抵銷有關虧損、未動用稅項抵免及可扣減暫時差額為限。未來應課稅溢利按相關應課稅暫時差額撥回釐定。倘應課稅暫時差額的金額不足以全數確認遞延稅項資產，則根據本集團個別附屬公司的業務計劃，考慮未來應課稅溢利，並就現有暫時差額的撥回作出調整。遞延稅項資產於各報告日期審閱，並在相關稅務利益不再可能實現的情況下予以扣減；當未來應課稅利潤的可能性提高時，此類減少將被逆轉。

遞延稅項資產及負債僅於符合若干標準時方可抵銷。

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2 MATERIAL ACCOUNTING POLICIES 2 重大會計政策(續) (CONTINUED)

(u) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract (see note 2 (k)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognized for any expected reimbursement that would be virtually certain. The amount recognized for the reimbursement is limited to the carrying amount of the provision.

(u) 撥備及或有負債

一般而言，撥備乃按反映當時市場對貨幣時間價值及負債特定風險的評估的除稅前利率貼現預期未來現金流量而釐定。

保修撥備乃於相關產品或服務售出時根據過往保修數據及權衡保修可能出現之結果及有關之可能性確認。

多項虧損性合約之撥備乃按終止合約預期成本及繼續合約成本淨額(以較低者為準)的現值計量，而繼續合約的預期淨成本乃根據履行該合約項下責任的增量成本及與履行該合約直接相關的其他成本的分配釐定。於計提撥備前，本集團就該合約相關資產確認任何減值虧損(見附註2(k)(ii))。

如果經濟利益不大可能流出，或無法對有關數額作出可靠估計，則會將該責任披露為或有負債，除非經濟利益流出的可能性極微。其存在僅能以一宗或多宗未來事件的發生與否來確定的潛在責任，除非經濟利益流出的可能性極微，否則亦披露為或有負債。

倘負債計提準備的部分或全部支出預計將由另一方償還，則針對幾乎確定的預期償還確認一項單獨的資產。確認的報帳金額僅限於負債計提準備的賬面金額。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(v) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognizes revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognized when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Sale of goods

Sales of the Group's products are recognized as follows:

Revenue is recognized when the customer takes possession of and accepts the products. Payment terms and conditions vary by customers and are based on the billing schedule established in the contracts or purchase orders with customers, but the Group generally provides credit terms to customers within six months upon customer acceptance. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component as the period of financing is 12 months or less.

2 重大會計政策 (續)

(v) 收入及其他收益

當本集團於其日常業務過程中銷售商品、提供服務或他人根據租約使用本集團資產而產生收入時，本集團將該項收入分類為收益。

有關本集團的收入及其他收益確認政策的進一步詳情如下：

(i) 與客戶所訂合約的收入

本集團為其收入交易的主體，並按總額基準確認收入。於釐定本集團作為委託人或代理人時，本集團會考慮在產品轉讓予客戶前是否取得產品控制權。控制權指本集團可直接使用該等產品及從該等產品取得絕大部分餘下利益的能力。

當產品或服務控制權轉移予客戶，則收入按本集團預期獲得的承諾代價金額（不包括代表第三方收取的金額，如增值稅或其他銷售稅）確認。

銷售貨品

本集團產品的銷售確認如下：

收入於客戶管有並接受產品時確認。付款條款及條件因客戶而異，並根據與客戶訂立的合約或採購訂單中設立的付款時間表而定，但本集團一般於客戶接受後六個月內向客戶提供信貸期。本集團利用香港財務報告準則第15號第63段的可行權宜方法，由於融資期為12個月或以下，故並無就重大融資部分的任何影響調整代價。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(v) Revenue and other income (continued)

(i) Revenue from contracts with customers (continued)

Sale of goods (continued)

The Group offers warranties for its products for up to three years from the date of sale. A related provision is recognized in accordance with the Note 2(u).

The Group typically offers customers of products that are not made-to-order rights of return for a period of 90 days upon customer acceptance. It also offers retrospective volume rebates to certain major customers of products when their purchases reach an agreed threshold. Such rights of return and volume rebates give rise to variable consideration. The Group uses an expected value approach to estimate variable consideration based on the Group's current and future performance expectations and all information that is reasonably available. This estimated amount is included in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. At the time of sale of products, the Group recognizes revenue after taking into account adjustment to transaction price arising from returns and rebates as mentioned above. A refund liability is recognized for the expected returns and rebates, and is included in refund liabilities from right of return (see Note 29). A right to recover returned goods and corresponding adjustment to cost of sales are also recognized for the right to recover products from customers. This right to recover returned goods is measured at the former carrying amount of the inventory less any expected costs to recover goods (including potential decreases in the value of the returned goods).

2 重大會計政策(續)

(v) 收入及其他收益(續)

(i) 與客戶所訂合約的收入(續)

銷售貨品(續)

本集團為其產品提供自銷售日期起計最多三年的保修。相關撥備根據附註2(u)確認。

本集團一般向非按訂單生產的客戶提供於客戶接納後為期90日的退貨權。其亦於若干主要產品客戶的採購達到協定限額時向彼等提供追溯批量回扣。該等退貨權及批量回扣產生可變代價。本集團使用預期價值法根據本集團目前及未來表現預期以及所有合理可得資料估計可變代價。倘與可變代價相關的不確定因素獲解決時，已確認累計收入極有可能不會發生重大撥回，則該估計金額將計入交易價格。於銷售產品時，本集團經考慮上述退貨及回扣產生的交易價格調整後確認收入。退款負債就預期退貨及回扣確認，並計入退貨權退款負債(見附註29)。就客戶收回產品的權利，亦會確認收回退貨的權利及對銷售成本的相應調整。收回已退回貨品的權利按存貨的先前賬面值減收回貨品的任何預期成本(包括退回貨品價值的潛在減少)計量。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(v) Revenue and other income (continued)

(ii) Revenue from other sources and other income

(a) Rental income from operating leases

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(b) Interest income

Interest income is recognized using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(c) Government grants

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are recognized as deferred income and subsequently recognized in profit or loss on a systematic basis over the useful life of the asset.

2 重大會計政策 (續)

(v) 收入及其他收益 (續)

(ii) 來自其他來源的收入及其他收益

(a) 經營租賃的租金收益

經營租賃的租金收益於租賃期內按直線法於損益確認。所授出的租賃優惠於租賃期內確認為租金收益總額的組成部分。

(b) 利息收益

利息收益按實際利率法確認。「實際利率」指將金融資產於預計年期內的估計未來現金收入準確貼現至金融資產總賬面值的利率。計算利息收益時，實際利率應用於資產的總賬面值（倘資產並無信貸減值）。然而，對於初始確認後出現信貸減值的金融資產，利息收益通過對金融資產的攤銷成本應用實際利率計算。倘資產不再出現信貸減值，則利息收益的計算將恢復至總額基準。

(c) 政府補助

倘有合理保證將收取政府補助且本集團符合補助所附條件，則政府補助初步於財務狀況表確認。

補償本集團所產生開支的補助於開支產生的相同期間有系統地於損益確認為收益。

補償本集團資產成本的補助確認為遞延收入，其後於該項資產的可使用年期內有系統地於損益內確認。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(v) Revenue and other income (continued)

(ii) Revenue from other sources and other income (continued)

(d) Dividends

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

(w) Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

(x) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognized in OCI:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognized in OCI are reclassified to profit or loss);

2 重大會計政策(續)

(v) 收入及其他收益(續)

(ii) 來自其他來源的收入及其他收益(續)

(d) 股息

股息收入於本集團收取款項的權利確立當日於損益內確認。

(w) 退款負債

退款負債為退回部分或所有來自客戶的已收(或應收)代價的責任，乃按本集團最終預期其將必須退回客戶的金額計量。本集團於各報告期末更新其估計退款負債(及交易價的相應變動)。

(x) 外幣換算

外幣交易按交易日期的匯率換算為本集團公司各自的功能貨幣。

以外幣為單位之貨幣性資產及負債按報告日期的匯率換算為功能貨幣。以外幣公允價值計量的非貨幣資產及負債，採用公允價值確定日的即期匯率折算為功能貨幣。以外幣歷史成本計量的非貨幣資產及負債按交易日期的匯率換算。外幣差額一般於損益內確認。

然而，換算以下項目產生的外幣差額於其他全面收益確認：

- 指定為以公允價值計量且其變動計入其他全面收益的股本證券投資(減值除外，在此情況下，已於其他全面收益確認的外幣差額重新分類至損益)；

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(x) Translation of foreign currencies (continued)

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Hong Kong dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Hong Kong dollars at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognized, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

2 重大會計政策 (續)

(x) 外幣換算 (續)

- 在對沖有效的情况下，被指定為海外業務淨投資對沖的金融負債；及
- 在對沖有效的情况下，有資格進行現金流量對沖。

海外業務的資產及負債（包括收購產生的商譽及公允價值調整）按報告日期的匯率換算為港元。海外業務的收入及開支按交易日期的匯率換算為港元。

外幣差額於其他全面收益確認，並於匯兌儲備累計，惟匯兌差額分配至非控股權益除外。

當出售全部或部分海外業務而失去控制權、重大影響力或共同控制權時，與該海外業務相關的匯兌儲備的累計金額重新分類至損益，作為出售收益或虧損的一部分。於出售包括海外業務的附屬公司時，已歸屬於非控股權益的有關該海外業務的匯兌差額的累計金額將終止確認，惟不得重新分類至損益。倘本集團出售其於附屬公司的部分權益但保留控制權，則累計金額的相關比例重新歸屬於非控股權益。當本集團僅出售部分聯營公司或合營企業並保留重大影響力或共同控制權時，累計金額的相關比例重新分類至損益。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(y) Borrowing costs

Borrowing costs that directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(z) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or a joint venture of the other entity (or an associate or a joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

2 重大會計政策(續)

(y) 借貸成本

購置、興建或生產資產(須經過頗長時間籌備以作擬定用途或出售)直接應佔借貸成本撥充為該資產的部分成本。其他借貸成本於產生期間支銷。

(z) 關聯方

- (a) 倘屬以下情況，則某人士或該人士的近親與本集團有關聯：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理成員。
- (b) 倘符合下列任何條件，即實體與本集團有關聯：
- (i) 該實體與本集團屬同一集團的成員公司(即各母公司、附屬公司及同系附屬公司互相關聯)。
 - (ii) 一家實體為另一實體的聯營公司或合營企業(或另一實體所屬集團的成員公司的聯營公司或合營企業)。
 - (iii) 兩家實體均為同一第三方的合營企業。
 - (iv) 一家實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(z) Related parties (continued)

- (b) An entity is related to the Group if any of the following conditions applies: (continued)
- (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 the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

2 重大會計政策 (續)

(z) 關聯方 (續)

- (b) 倘符合下列任何條件，即實體與本集團有關聯：(續)
- (v) 該實體為本集團或與本集團有關聯的實體就僱員利益設立的離職福利計劃。
- (vi) 該實體受(a)所識別人士控制或受共同控制。
- (vii) 於(a)(i)所識別人士對該實體有重大影響力或屬該實體(或該實體的母公司)主要管理人員。
- (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團的母公司提供主要管理人員服務。

任何人士的近親是指預期在與該實體交易時可影響該人士或受該人士影響的家庭成員。

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2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(aa) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Key sources of estimation uncertainty

Notes 17, 18, 20 and 33(e) contains information about the assumptions and their risk factors relating to fair value of financial assets. Other key sources of estimation uncertainty are as follows:

(a) *Net realizable value of inventories*

Net realizable value of inventories is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. These estimates are based on the current market conditions and the historical experience of selling products with similar nature. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-down made in prior years and affect the Group's net assets value. The Group reassesses these estimates annually.

2 重大會計政策(續)

(aa) 分部報告

營運分部及財務報表所呈列各分部項目的金額，乃從為向本集團各項業務及地理位置進行資源分配及評估其業績而定期向本集團最高行政管理層提供的財務資料當中識別出來。

個別重大營運分部不予合併以作財務報告用途，但當各分部具有類似經濟性質，以及產品及服務性質、生產工序性質、客戶類型或類別、用於分銷產品或提供服務的方法及監管環境的本質均屬類似時，則作別論。倘個別不重大的營運分部符合以上大部分條件，則可能合併。

3 重大會計判斷及估計

估計不確定因素的主要來源

附註17、18、20及33(e)包含與金融資產公允價值有關的假設及其風險因素的資料。估計不確定因素的其他主要來源如下：

(a) *存貨的可變現淨值*

存貨的可變現淨值乃於日常業務過程中的估計售價減完成的估計成本及進行銷售所需的估計成本。該等估計乃基於目前市況及銷售同類產品的過往經驗作出。假設的任何變動將導致過往年度存貨撇減的金額或相關的撇減撥回增加或減少，並影響本集團的資產淨值。本集團每年重新評估該等估計。

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3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (continued)

(b) *Impairment of trade and other receivables*

The Group estimates the amount of loss allowance for ECLs on trade and other receivables that are measured at amortized cost based on the credit risk of the respective financial instruments. The loss allowance amount is measured as the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss of the respective financial instrument. The assessment of the credit risk of the respective financial instrument involves high degree of estimation and uncertainty. 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.

(c) *Warranty provisions*

The Group makes provisions under the warranties it gives on sale of its power tools and outdoor power equipment taking into account the Group's recent claim experience. As the Group is continually upgrading its product designs and launching new models it is possible that the recent claim experience is not indicative of future claims that it will receive in respect of past sales. Any increase or decrease in the provision would affect profit or loss in future years.

3 重大會計判斷及估計(續)

估計不確定因素的主要來源(續)

(b) *貿易及其他應收款項減值*

本集團按照相關金融工具的信用風險估計按攤銷成本計量的貿易及其他應收款項的預期信貸虧損的虧損撥備金額。虧損撥備金額乃按資產賬面值及估計未來現金流量現值計量，並經考慮相關金融工具的預期未來信貸虧損。相關金融工具的信用風險評估涉及高度估計及不確定性。當實際未來現金流量少於預期或多於預期，可能因此出現重大減值虧損或重大減值虧損撥回。

(c) *保修撥備*

考慮到本集團最近的申索經驗，本集團在其電動工具及戶外動力設備的銷售保修項下作出撥備。由於本集團不斷升級其產品設計並推出新型號，最近的申索經驗可能並不表示其未來將遇到與過去銷售有關的申索。撥備的任何增加或減少均會影響未來數年的損益。

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3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (continued)

(d) *The recognition of the deferred tax assets*

The recognition of the deferred tax assets mainly depends on whether sufficient future taxable profits or taxable temporary differences will be available. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal or further recognition takes place.

(e) *Right to returned goods asset*

The Group makes a reasonable estimate of the return rate for a portfolio of contracts with similar characteristics based on historical sales data, current sales conditions and taking into account all relevant information such as customer and market changes. The return rate is reasonably estimated. The estimated return rate may not equal the actual return rate in the future and the Group reassesses the return rate at least at each balance sheet date and determines the return rate based on the reassessed return rate. The Group reassesses the return rate at least at each balance sheet date and determines the accounting treatment based on the reassessed return rate. products with similar nature. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-down made in prior years and affect the Group's net assets value. The Group reassesses these estimates annually.

3 重大會計判斷及估計(續)

估計不確定因素的主要來源(續)

(d) *遞延稅項資產的確認*

遞延稅項資產的確認主要取決於是否有足夠的未來應課稅溢利或應課稅暫時性差異。倘所產生的實際未來應課稅溢利少於或多於預期，或事實及情況變動導致修訂未來應課稅溢利估計，則可能產生遞延稅項資產的重大撥回或進一步確認，其將於有關撥回或進一步確認發生期間於損益確認。

(e) *退回貨物資產的權利*

本集團根據歷史銷售數據、當前銷售情況，並考慮客戶、市場變化等所有相關信息，對具有類似特徵的合同組合的退貨率進行合理估計。回報率是合理估計的。預計收益率未來可能不等於實際收益率，本集團至少於每個資產負債表日對收益率進行重新評估，並根據重新評估後的收益率確定收益率。本集團至少於每個資產負債表日重新評估收益率，並根據重新評估後的收益率確定會計處理。產品具有類似性質。假設的任何變動將導致過往年度存貨撇減的金額或相關的撇減撥回增加或減少，並影響本集團的資產淨值。本集團每年重新評估該等估計。

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4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are researching, developing, manufacturing, testing, sales, and after-sale services for power tools, outdoor power equipment and related products. Further details regarding the Group's principal activities are disclosed in Note 4(b).

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by business lines is as follows:

4 收入及分部報告

(a) 收入

本集團的主要業務是電動工具、戶外動力設備及相關產品的研發、製造、測試、銷售及售後服務。附註4(b)披露了本集團主要業務的進一步詳情。

(i) 收入分類

與客戶所訂合約的收入按業務線分類如下：

		Year ended December 31, 截至12月31日止年度	
		2023	2022
		2023年	2022年
		USD'000	USD'000
		千美元	千美元
Revenue from contracts with customers	香港財務報告準則第15號範圍內		
within the scope of HKFRS 15	與客戶所訂合約的收入		
Disaggregated by major products	按主要產品分類		
- Sales of power tools	- 銷售電動工具	548,544	754,924
- Sales of outdoor power equipment	- 銷售戶外動力設備	811,408	1,223,527
- Others	- 其他	14,762	10,829
		1,374,714	1,989,280

The Group's revenue from contracts with customers were recognized at point in time.

The Group's customer base is diversified and 2 (2022: 1) customers with whom transactions have exceeded 10% of the Group's revenues for the year ended December 31, 2023. The total revenue from the sales of power tools, outdoor power equipment and others to these customers amounted to US\$623 million (2022: US\$990 million) and arose in North Americans. Details of concentrations of credit risk arising from the customers are set out in Note 33(a).

本集團與客戶所訂合約的收入按時間點確認。

本集團的客戶群是多元化的，截至2023年12月31日止年度，與之交易額超過本集團收入10%的客戶為2名（2022年：1名）客戶。向該等客戶銷售電動工具、戶外動力設備及其他所得收入總額為623百萬美元（2022年：990百萬美元）且產生自北美。由客戶引起的信貸集中風險的詳細情況載於附註33(a)。

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4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(a) Revenue (continued)

- (ii) Revenue expected to be recognized in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its sales contracts for goods such that information about revenue expected to be recognized in the future is not disclosed in respect of revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of goods that had an expected duration of one year or less.

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments. No operating segments have been aggregated to form the following reportable segment.

- Power tools: sales of power tools and power tool accessories for consumer, professional and industrial users. The products are available under the FLEX, DEVON, SKIL and X-TRON brands plus original design manufacturer ("ODM") customers.
- Outdoor power equipment: sales of outdoor tools and outdoor tool accessories for premium or professional and mass-market users. The products are available under the EGO, SKIL brands and some ODM private labels.
- Others: sales of parts and components to a home appliances business.

4 收入及分部報告(續)

(a) 收入(續)

- (ii) 預計於報告日期與現有客戶簽訂的合約所產生未來確認的收入

本集團已將香港財務報告準則第15號第121段中的實際權宜之計應用於其貨物銷售合約，由此，當本集團履行貨物銷售合約項下的剩餘履約義務時(預定期限為一年或更短)，不會就與本集團將有權獲得的收入披露有關與未來確認的收入的資料。

(b) 分部報告

本集團按分部管理其業務，分部按業務線(產品及服務)及地區兩方面劃分。本集團已呈列如下報告分部，方式與向本集團最高行政管理人員內部呈報資料以分配資源及評估表現的方式一致。概無合併經營分部以組成下列可報告分部。

- 電動工具：對消費者、專業人士及工業用戶銷售電動工具及電動工具配件。產品由FLEX、大有、SKIL及小強品牌以及原設計製造商(「ODM」)客戶提供。
- 戶外動力設備：對優質或專業及大眾市場用戶銷售戶外工具及戶外工具配件。於EGO、SKIL品牌及若干ODM自有品牌項下提供有關產品。
- 其他：向一間家電公司銷售零部件。

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(Expressed in US dollar ("USD") unless otherwise indicated)
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4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(i) Information about reportable segments

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitor the results attributable to each reportable segment on the following bases:

Revenue are allocated to the reportable segments with reference to sales generated by those segments.

The measure used for reporting segment profit is gross profit. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

In addition to receiving segment information concerning segment results, management is provided with segment information concerning revenue generated by the segments in their operations.

Segment assets and liabilities are not regularly reported to the Group's executive directors and therefore information of reportable segment assets and liabilities are not presented in the consolidated financial statements.

4 收入及分部報告(續)

(b) 分部報告(續)

(i) 報告分部資料

為了評估分部表現並在分部之間分配資源，本集團高級行政管理人員根據以下基準監控每個報告分部的業績：

收入根據報告分部產生的銷售額分配至報告分部。

用於報告分部利潤的計量指標是毛利潤。分部利潤用於計量表現，因為管理層認為此類資料與評估各分部業績（相對於在同一行業中運營的其他實體）最相關。

除了接獲有關分部業績的分部資料，還向管理層提供有關分部在其運營中產生的收入的分部資料。

分部資產及負債並無定期向本集團執行董事報告，因此綜合財務報表中並無列報報告分部資產及負債的資料。

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4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(i) Information about reportable segments (continued)

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's senior executive management for the purposes of resource allocation and assessment of segment performance is set out below.

4 收入及分部報告(續)

(b) 分部報告(續)

(i) 報告分部資料(續)

根據收入確認時間對與客戶簽訂的契約收入的分類，以及為資源分配及分部業績評估而向本集團高級行政管理人員提供的有關本集團報告分部的資料如下所示。

		Reportable segments 報告分部			
		Power tools 電動工具 USD'000 千美元	Outdoor power equipment 戶外 電動設備 USD'000 千美元	Others 其他 USD'000 千美元	Total reportable segments 報告 分部總計 USD'000 千美元
2023	2023年				
Revenue from external customers Point in time	來自外部客戶的收入 於時間點	548,544	811,408	14,762	1,374,714
Gross profit from external customers and reportable segment profit	來自外部客戶的毛利 及報告分部利潤	112,773	270,680	3,380	386,833
		Reportable segments 報告分部			
		Power tools 電動工具 USD'000 千美元	Outdoor power equipment 戶外 電動設備 USD'000 千美元	Others 其他 USD'000 千美元	Total reportable segments 報告 分部總計 USD'000 千美元
2022	2022年				
Revenue from external customers Point in time	來自外部客戶的收入 於時間點	754,924	1,223,527	10,829	1,989,280
Gross profit from external customers and reportable segment profit	來自外部客戶的毛利 及報告分部利潤	191,768	409,905	2,200	603,873

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4 REVENUE AND SEGMENT REPORTING (CONTINUED)

4 收入及分部報告(續)

(b) Segment reporting (continued)

(b) 分部報告(續)

(ii) Reconciliations of reportable segment gross profit

(ii) 報告分部毛利對賬

		Year ended December 31, 截至12月31日止年度	
		2023	2022
		2023年	2022年
		USD'000	USD'000
		千美元	千美元
Reportable segment gross profit	報告分部毛利	386,833	603,873
Other revenue	其他收入	5,787	7,038
Other net loss	其他虧損淨額	(8,333)	(52,254)
Selling and distribution expenses	銷售及分銷開支	(244,052)	(214,014)
Administrative and other operating expenses	行政及其他經營開支	(96,787)	(89,765)
Research and development costs	研發成本	(70,673)	(65,733)
Net finance costs	財務成本淨額	(3,290)	(22,265)
Share of loss of an associate	應佔聯營公司虧損	(18,341)	(5,490)
Consolidated (loss)/profit before taxation	除稅前綜合(虧損)/利潤	(48,856)	161,390

(iii) Geographic information

(iii) 地理資料

The following table sets out the geographic information analyses of the Group's revenue and specified non-current assets including property, plant and equipment, right-of-use assets and intangible assets ("specified non-current assets"). In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets have been based on the geographic location of the assets.

下表載列本集團收入及特定非流動資產的地理資料分析，包括物業、廠房及設備、使用權資產及無形資產(「特定非流動資產」)。在呈列地理資料時，分部收入基於客戶的地理位置，分部資產基於資產的地理位置。

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4 REVENUE AND SEGMENT REPORTING (CONTINUED) 4 收入及分部報告(續)

(b) Segment reporting (continued)

(iii) Geographic information (continued)

Revenue from external customers

(b) 分部報告(續)

(iii) 地理資料(續)

來自外部客戶的收入

		Year ended December 31, 截至12月31日止年度	
		2023	2022
		2023年	2022年
		USD'000	USD'000
		千美元	千美元
North Americans	北美	940,197	1,499,907
Europe	歐洲	282,359	317,247
China	中國	100,615	99,490
Rest of the World	世界其他地區	51,543	72,636
		1,374,714	1,989,280

Specified non-current assets

特定非流動資產

		As at December 31, 於12月31日	
		2023	2022
		2023年	2022年
		USD'000	USD'000
		千美元	千美元
North Americans	北美	16,091	17,325
Europe	歐洲	34,133	27,233
China	中國	285,195	234,459
		335,419	279,017

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(Expressed in US dollar ("USD") unless otherwise indicated)
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5 OTHER REVENUE AND OTHER NET GAIN

5 其他收入及其他收益淨額

(a) Other revenue

(a) 其他收入

		Year ended December 31, 截至12月31日止年度	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Government grants (Note (i))	政府補助(附註(i))	1,174	1,860
Sale of scrap materials	廢料銷售	4,282	4,814
Rentals receivable from operating leases, other than those relating to investment property	經營租賃應收租金(與投資物業 相關者除外)	331	364
		5,787	7,038

Note:

附註：

(i) During the year ended December 31, 2023, the Group received unconditional government grants of USD1,174,000 (2022: USD1,860,000), as rewards of the Group's contribution to technology innovation and regional economic development

(i) 截至2023年12月31日止年度，本集團獲得1,174,000美元(2022年：1,860,000美元)的無條件政府補助，作為本集團對科技創新及區域經濟發展貢獻的獎勵。

(b) Other net loss

(b) 其他虧損淨額

		Year ended December 31, 截至12月31日止年度	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Net foreign exchange gain/(loss)	外匯收益/(虧損)淨額	4,863	(15,533)
Net loss on disposal of properties, plants and equipment	出售物業、廠房及設備的 虧損淨額	(46)	(176)
Net loss on disposal of leases	出售租賃虧損淨額	(1,226)	-
Net realized and unrealized loss on convertible bonds	可換股債券的已變現及未變 變現虧損淨額	(630)	(15,280)
Net realized and unrealized gains on financial assets at FVPL other than convertible bonds	以公允價值計量且其變動計入 當期損益的金融資產已 變現及未變現收益淨額 (可換股債券除外)	948	1,654
Net realized and unrealized loss on derivative financial instruments	衍生金融工具的已變現及 未變現虧損淨額	(12,181)	(23,297)
Others	其他	(61)	378
		(8,333)	(52,254)

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6 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/Profit before taxation is arrived at after (crediting)/charging:

(a) Net finance costs

6 除稅前(虧損)/利潤

除稅前(虧損)/利潤乃經(計入)/扣除以下各項後得出：

(a) 財務成本淨額

		Year ended December 31, 截至12月31日止年度	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Interest income from bank deposits	銀行存款利息收入	(7,844)	(3,959)
Finance income	財務收入	(7,844)	(3,959)
Interest on bank loans	銀行貸款利息	8,819	12,267
Other financing cost	其他財務成本	1,725	13,005
Interest on lease liabilities	租賃負債利息	590	952
Finance costs	財務成本	11,134	26,224
Net finance costs	財務成本淨額	3,290	22,265

(b) Staff costs

(b) 員工成本

		Year ended December 31, 截至12月31日止年度	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Contributions to defined contribution retirement plans	界定供款退休計劃供款	31,168	30,225
Expenses recognized in respect of defined benefit retirement plans obligation (note 31(a))	所確認關於界定福利退休計劃義務的開支(附註31(a))	18	6
Salaries, wages and other benefits	薪金、工資及其他利益	177,763	184,143
		208,949	214,374

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6 (LOSS)/PROFIT BEFORE TAXATION 6 除稅前(虧損)/利潤(續) (CONTINUED)

(c) Other items

(c) 其他項目

		Year ended December 31, 截至12月31日止年度	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Depreciation charge	折舊費用		
– owned properties, plants and equipment	– 自有物業、廠房及設備	28,285	25,270
– right-of-use assets	– 使用權資產	7,616	10,091
Amortization of intangible assets	無形資產攤銷	280	584
Research and development costs (Note (i))	研發成本(附註(i))	70,673	65,733
Provision for impairment loss on trade and other receivables	貿易及其他應收款項減值虧損的撥備	1,172	1,401
Provision for write-down of inventories	存貨撇減撥備	47,058	12,248
Auditors' remuneration	核數師薪酬		
– audit services	– 審計服務	822	912
– non-audit services	– 非審計服務	–	–
Cost of inventories sold (Note (ii))	所售存貨的成本(附註(ii))	987,881	1,394,957

Notes:

- (i) Research and development costs include amounts relating to staff costs, depreciation and amortization expenses, which are also included in the respective total amounts disclosed separately above or in Note 6 for each of these types of expenses.
- (ii) Cost of inventories recognized as expenses includes amounts relating to staff costs, depreciation and amortization expenses, provision for write-down of inventories, which are also included in the respective total amounts disclosed separately above or in Note 6 for each of these types of expenses.

附註：

- (i) 研發成本包括與員工成本、折舊及攤銷開支有關的金額，這些開支也計入上述單獨披露的總額中或附註6中(就各類開支而言)。
- (ii) 確認為開支的存貨成本包括與員工成本、折舊及攤銷開支、存貨撇減撥備相關的金額，這些金額也計入上述單獨披露的總額或附註6中(就各類開支而言)。

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7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS 7 綜合損益表內所得稅

(a) Taxation in the consolidated statements of profit or loss represents: (a) 綜合損益表內稅項指：

		Year ended December 31, 截至12月31日止年度	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Current tax	即期稅項		
<i>PRC Corporate Income Tax</i>	<i>中國企業所得稅</i>		
– Provision for the year	– 年內撥備	–	3,034
– Over-provision in respect of prior years	– 過往年度撥備超額	226	(28)
		226	3,006
<i>Hong Kong Profits Tax</i>	<i>香港利得稅</i>		
– Provision for the year	– 年內撥備	–	16,207
<i>Tax jurisdictions outside PRC and Hong Kong</i>	<i>中國及香港境外 稅務司法管轄區</i>		
– Provision for the year	– 年內撥備	3,786	8,038
Deferred tax	遞延稅項		
– Origination and reversal of temporary differences (<i>Note 27(b)</i>)	– 暫時差額的產生與 回撥 (<i>附註27(b)</i>)	(15,718)	(5,139)
Total income tax expense	所得稅開支總額	(11,706)	22,112

Notes:

附註：

(i) Pursuant to the income tax rules and regulations of Hong Kong, the Company and the subsidiary in Hong Kong were liable to the Hong Kong Profits Tax at a rate of 16.5% during the years ended December 31, 2022 and 2023.

(i) 根據香港的所得稅條例及法規，截至2022年及2023年12月31日止年度，本公司及香港附屬公司應按16.5%的稅率繳納香港利得稅。

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7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (CONTINUED)

(a) Taxation in the consolidated statements of profit or loss represents: (continued)

Notes: (continued)

- (ii) The PRC subsidiaries of the Group are subject to PRC Corporate Income Tax ("CIT") at a statutory rate of 25%, except for the following specified subsidiary:

According to the Administrative Measures for Determination of High-Tech Enterprises (Guokefahuo [2016] No.32), Nanjing Chervon Industry Co., Ltd. obtained the qualification as a high-tech enterprise and was entitled to a preferential income tax rate of 15% for the years from 2022 to 2025.

According to the prevailing PRC CIT law and its relevant regulations, non-PRC tax resident enterprises are levied withholding tax on dividends from their PRC resident investees for intra-group earnings accumulated beginning on January 1, 2008, at 10% (unless reduced by tax treaties or similar arrangements), respectively. Undistributed earnings generated prior to 2008 are exempt from such withholding tax.

Under the arrangement between the Mainland China and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and its relevant regulations, dividends paid by a PRC resident enterprise to its direct holding company in Hong Kong will be subject to withholding tax at a reduced rate of 5% (if the Hong Kong investor is the "beneficial owner" and owns directly at least 25% of the equity interest of the PRC resident enterprise for the past twelve months before the dividends distribution). The Group met the beneficial owner requirements in 2022 and 2023 and were entitled to a preferential rate of 5% since 2015.

7 綜合損益表內所得稅(續)

(a) 綜合損益表內稅項指：(續)

附註：(續)

- (ii) 本集團的中國附屬公司須按25%的法定稅率繳納中國企業所得稅(「企業所得稅」)，但以下所指附屬公司除外：

根據《高新技術企業認定管理辦法》(國科火[2016]32號)，南京泉峰科技有限公司取得高新技術企業資格，2022年至2025年享受15%的所得稅優惠稅率。

根據現行《中國企業所得稅法》及其相關法規，非中國稅務居民企業對自2008年1月1日起累計的集團內部收益從其中國居民被投資方獲得的股息分別徵收10%的預扣稅(除非按稅收協定或類似安排降低)2008年之前產生的未分配收益免徵此類預扣稅。

根據《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》及其相關法規，倘香港投資者為「受益所有人」及於股息分派前過去十二個月直接擁有中國居民企業最少25%的股權，中國居民企業支付予其香港直接控股公司的股息將按5%的寬減稅率繳納預扣稅。本集團於2022年及2023年符合受益所有人規定並自2015年起有權享有5%的優惠稅率。

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7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (CONTINUED)

(a) Taxation in the consolidated statements of profit or loss represents: (continued)

Notes: (continued)

- (iii) Pursuant to the income tax rules and regulations of the United States, the Group's subsidiaries in the United States was liable to United States federal income tax at a rate of 21% and state income tax at a rate ranging from 0.75% to 9.99% during the year ended December 31, 2022 and 2023.
- (iv) Pursuant to the income tax rules and regulations of the United Kingdom, the Group's subsidiary in the United Kingdom was liable to the United Kingdom corporation tax at a rate of 19% during the year ended December 31, 2022 and 2023.
- (v) Pursuant to the income tax rules and regulations of Germany, Chervon GmbH, Flex Geschäftsführungs GmbH, Flex Verwaltungs GmbH & Co., KG, Flex-Elektrowerkzeuge GmbH and EGO Europe GmbH were liable to German corporate tax at a rate between 22.825% and 26.825% determined by municipalities during the year ended December 31, 2022 and 2023.
- (vi) Pursuant to the rules and regulations of Australia, the Group's subsidiary in Australia was liable to Australia corporation tax at a rate of 27.5% during the year ended December 31, 2022 and 2023.
- (vii) Pursuant to the rules and regulations of Canada, the Group's subsidiary in Canada was liable to Canada corporation tax at a rate of 26.5% during the year ended December 31, 2022 and 2023.
- (viii) Pursuant to the rules and regulations of the Netherlands, the Group's subsidiaries in the Netherlands was liable to the Netherlands corporation tax at a rate of 25% during the year ended December 31, 2022 and 2023.

7 綜合損益表內所得稅(續)

(a) 綜合損益表內稅項指：(續)

附註：(續)

- (iii) 根據美國所得稅條例及法規，本集團在美國的附屬公司在截至2022年及2023年12月31日止年度應按21%的美國聯邦所得稅稅率及0.75%至9.99%的州所得稅稅率納稅。
- (iv) 根據英國的所得稅條例及法規，本集團在英國的附屬公司在截至2022年及2023年12月31日止年度應按19%的稅率繳納英國公司稅。
- (v) 根據德國的所得稅條例及法規，Chervon GmbH、Flex Geschäftsführungs GmbH、Flex Verwaltungs GmbH & Co., KG、Flex-Elektrowerkzeuge GmbH及EGO Europe GmbH在截至2022年及2023年12月31日止年度應繳納德國公司稅，稅率為22.825%至26.825%，由市政當局確定。
- (vi) 根據澳大利亞的條例及法規，本集團在澳大利亞的附屬公司在截至2022年及2023年12月31日止年度應按27.5%的稅率繳納澳大利亞公司稅。
- (vii) 根據加拿大的條例及法規，本集團在加拿大的附屬公司在截至2022年及2023年12月31日止年度應按26.5%的稅率繳納加拿大公司稅。
- (viii) 根據荷蘭的條例及法規，本集團在荷蘭的附屬公司在截至2022年及2023年12月31日止年度應按25%的稅率繳納荷蘭公司稅。

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7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (CONTINUED)

(a) Taxation in the consolidated statements of profit or loss represents: (continued)

Notes: (continued)

- (ix) Pursuant to the rules and regulations of the Czech Republic, the Group's subsidiary in the Czech Republic was liable to the Czech Republic corporation tax at a rate of 19% during the year ended December 31, 2022 and 2023.
- (x) Pursuant to the rules and regulations of Belgium, the Group's subsidiary in Belgium was liable to Belgium corporation tax at a rate of 25% during the year ended December 31, 2022 and 2023.
- (xi) Pursuant to the rules and regulations of Italia, the Group's subsidiary in Italia was liable to Italia corporation tax at a rate of 24% during the year ended December 31, 2022 and 2023.
- (xii) Pursuant to the rules and regulations of France, the Group's subsidiary in France was liable to France corporation tax at a rate of 28% during the year ended December 31, 2022 and 2023.
- (xiii) Pursuant to the Vietnam Investment Law and the approval of Industry Zone Committee of Tinh Binh Duong, the Group's subsidiary in the Vietnam was entitled to a tax exemption for 2022 and 2023 and a preferential income tax rate of 10% from 2022 to 2025.
- (xiv) Pursuant to the rules and regulations of New Zealand, the Group's subsidiary in New Zealand was liable to New Zealand corporation tax at a rate of 28% during the year ended December 31, 2022 and 2023.

7 綜合損益表內所得稅(續)

(a) 綜合損益表內稅項指：(續)

附註：(續)

- (ix) 根據捷克共和國的條例及法規，本集團在捷克共和國的附屬公司在截至2022年及2023年12月31日止年度應按19%的稅率繳納捷克公司稅。
- (x) 根據比利時的條例及法規，本集團在比利時的附屬公司在截至2022年及2023年12月31日止年度應按25%的稅率繳納比利時公司稅。
- (xi) 根據意大利的條例及法規，本集團在意大利的附屬公司在截至2022年及2023年12月31日止年度應按24%的稅率繳納意大利公司稅。
- (xii) 根據法國的條例及法規，本集團在法國的附屬公司在截至2022年及2023年12月31日止年度應按28%的稅率繳納法國公司稅。
- (xiii) 根據《越南投資法》及平陽省工業區委員會的批文，本集團在越南的附屬公司於2022年及2023年享有免稅待遇及於2022年至2025年按10%的所得稅優惠稅率納稅。
- (xiv) 根據新西蘭的條例及法規，本集團在新西蘭的附屬公司在截至2022年及2023年12月31日止年度應按28%的稅率繳納新西蘭公司稅。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in US dollar ("USD") unless otherwise indicated)
(以美元「美元」列示，除非另有指明)

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (CONTINUED)

7 綜合損益表內所得稅(續)

(b) Reconciliation between (loss)/profit before taxation and tax expense and at applicable tax rates:

(b) 除稅前(虧損)/利潤與稅項開支以及適用稅率之間的對賬：

		Year ended December 31, 截至12月31日止年度	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
(Loss)/profit before taxation	除稅前(虧損)/利潤	(48,856)	161,390
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	除稅前利潤名義稅，按適用於相關司法管轄區利潤的稅率計算	(8,567)	28,139
Effect of PRC tax concessions obtained	獲得中國稅收減免的影響	—	(2,022)
Tax effect of non-deductible expenses (Note)	不可扣稅開支的稅務影響(附註)	5,764	3,226
Tax effect of non-taxable income	非應稅收益的稅務影響	(740)	(410)
Tax effect of tax losses not recognized	未確認稅項虧損的稅務影響	291	442
Tax effect of bonus deduction for research and development costs	研發成本獎金扣除的稅務影響	(7,607)	(7,113)
Provision of withholding tax on undistributed profits	未分配利潤的預扣稅撥備	(1,073)	(122)
Over-provision in prior years	過往年度撥備超額	226	(28)
Income tax expense	所得稅開支	(11,706)	22,112

Note:

Tax effect of non-deductible expenses mainly represented tax effect of loss of an associate, expenses incurred by entities without assessable profits and other non-deductible expenses.

附註：

不可扣稅開支的稅務影響主要指一間聯營公司虧損、實體產生的無應課稅利潤的開支及其他不可扣稅開支的稅務影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in US dollar ("USD") unless otherwise indicated)
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7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (CONTINUED)

(c) Pillar Two income taxes

The Group operates in Hong Kong, which plans to enact new tax laws to implement the Pillar Two model rules published by the OECD. The new tax laws are expected to take effect from 1 January 2025. When these laws take effect, the Group expects to be subject to a new top-up tax in Hong Kong in relation to its operations in China mainland and Vietnam, where the local statutory tax rate is lower than 15% or the additional tax deductions in connection with government support would result in an effective tax rate of lower than 15%. As the new tax laws are not yet effective, the Group does not recognize any current tax relating to the Pillar Two model rules for the year ended December 31, 2023.

The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and would account for the tax as current tax when incurred (see note 2(c)).

7 綜合損益表內所得稅(續)

(c) 第二支柱所得稅

本集團於香港經營業務，並計劃頒佈新稅法以實施經合組織頒佈的第二支柱模型規則。預期新稅法將自2025年1月1日起生效。當該等法律生效時，本集團預期須就其於中國內地及越南的業務繳納香港的新補足稅，其中當地法定稅率低於15%或與政府支持有關的額外稅務扣減將導致實際稅率低於15%。由於新稅法尚未生效，本集團於截至2023年12月31日止年度並無確認與第二支柱模型規則相關的任何即期稅項。

本集團已應用暫時強制豁免，以確認及披露有關第二支柱所得稅的遞延稅項資產及負債的資料，並將於產生時將稅項入賬列作即期稅項(見附註2(c))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in US dollar ("USD") unless otherwise indicated)
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8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

8 董事薪酬

根據香港公司條例第383(1)條及公司(披露董事利益資料)規例第二部分披露的董事酬金如下：

		Directors' fees	Salaries, allowances and benefits in kind 薪金、津貼及實物利益	Discretionary bonuses 酌情花紅	Retirement scheme contributions 退休計劃供款	2023 Total 2023年總計
		USD' 000 千美元	USD' 000 千美元	USD' 000 千美元	USD' 000 千美元	USD' 000 千美元
Chairman	主席					
Pan Longquan	潘龍泉	30	157	26	–	213
Executive directors	執行董事					
Zhang Tong	張彤	30	166	26	–	222
Ke Zuqian	柯祖謙	30	166	26	–	222
Michael John Clancy	Michael John Clancy	30	463	263	22	778
Independent non-executive directors	獨立非執行董事					
Tian Ming	田明	28	–	–	–	28
Li Minghui	李明輝	28	–	–	–	28
Jiang Li	蔣立	28	–	–	–	28
		204	952	341	22	1,519

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in US dollar ("USD") unless otherwise indicated)
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8 DIRECTORS' EMOLUMENTS (CONTINUED)

8 董事薪酬(續)

		Directors' fees	Salaries, allowances and benefits in kind 薪金、津貼及實物利益	Discretionary bonuses 酌情花紅	Retirement scheme contributions 退休計劃供款	2022 Total 2022年總計
		USD'000 千美元	USD'000 千美元	USD'000 千美元	USD'000 千美元	USD'000 千美元
Chairman	主席					
Pan Longquan	潘龍泉	30	148	231	-	409
Executive directors	執行董事					
Zhang Tong	張彤	30	148	320	-	498
Ke Zuqian	柯祖謙	30	148	261	-	439
Michael John Clancy	Michael John Clancy	30	443	560	27	1,060
Independent non-executive directors	獨立非執行董事					
Tian Ming	田明	30	-	-	-	30
Li Minghui	李明輝	30	-	-	-	30
Jiang Li	蔣立	30	-	-	-	30
		210	887	1,372	27	2,496

Note:

All the executive directors are key management personnel of the Group during the year ended December 31, 2022 and 2023 and their remuneration disclosed above include those for services rendered by them as key management personnel.

附註：

所有執行董事在截至2022年及2023年12月31日止年度均為本集團的主要管理人員，上述披露彼等的薪酬包括其作為主要管理人員提供服務的薪酬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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9 INDIVIDUALS WITH HIGHEST EMOLUMENTS 9 最高薪酬人士

Of the five individuals with the highest emoluments, two (2022: two) are directors whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining individuals are as follows:

在最高薪酬的五名個人中，兩名（2022年：兩名）董事的薪酬在附註8中披露。其餘個人的薪酬總額如下：

		Year ended December 31, 截至12月31日止年度	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,735	1,576
Discretionary bonuses	酌情花紅	703	1,702
Retirement scheme contributions	退休計劃供款	123	95
		2,561	3,373

The emoluments of the five (2022: five) individuals with the highest emoluments are within the following bands:

最高薪酬的五名（2022年：五名）個人的薪酬在以下範圍內：

		Year ended December 31, 截至12月31日止年度	
		2023 2023年 Number of individuals 個人數目	2022 2022年 Number of individuals 個人數目
USD nil to USD500,000	零美元至500,000美元	2	1
USD500,001 to USD1,000,000	500,001美元至1,000,000美元	3	3
USD1,000,001 to USD1,500,000	1,000,001美元至1,500,000美元	—	1

None of the Directors of the Company has waived any emoluments for the year ended December 31, 2023.

截至2023年12月31日止年度，概無本公司董事放棄任何薪酬。

No emoluments were paid by the Group to the directors or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensating for loss of office during both years.

於兩個年度內，本集團概無向董事或五名最高薪酬人士（包括董事及僱員）支付酬金，作為加入本集團或加入本集團後的獎勵或作為離職補償。

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10 OTHER COMPREHENSIVE INCOME

Tax effects relating to each component of other comprehensive income

10 其他全面收益

與其他全面收益各組成部分相關的稅務影響

		Exchange differences on translation of financial statements	Remeasurement of net defined benefit liability	Total
		換算財務報表 的匯兌差額	界定福利負債 淨額重新計量	總計
		USD' 000	USD' 000	USD' 000
		千美元	千美元	千美元
For the year ended December 31, 2022	截至2022年12月31日 止年度			
Before-tax amount	稅前金額	(13,365)	141	(13,224)
Tax expense	稅項開支	-	52	52
Net-of-tax amount	扣除稅項之金額	(13,365)	193	(13,172)
For the year ended December 31, 2023	截至2023年12月31日 止年度			
Before-tax amount	稅前金額	(10,861)	16	(10,845)
Tax expense	稅項開支	-	5	5
Net-of-tax amount	扣除稅項之金額	(10,861)	21	(10,840)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in US dollar ("USD") unless otherwise indicated)
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11 (LOSSES)/EARNINGS PER SHARE

(a) Basic (losses)/earnings per share

The calculation of basic and diluted earnings per share is based on the loss attributable to equity shareholders of the Company of USD37,137,000 (2022: profit attributable to equity shareholders of the Company of USD139,369,000) and the weighted average of ordinary shares calculated as follows:

Weighted average number of ordinary shares

		Year ended December 31, 截至12月31日止年度	
		2023 2023年	2022 2022年
Ordinary shares at the beginning of the year	於年初的普通股	490,218,811	479,431,411
Effect of shares issued (Note 32(c)(i)(ii))	發行股份的影響 (附註32(c)(i)(ii))	19,750,438	10,018,982
Weighted average number of ordinary shares at the end of the year	於年末的普通股加權平均數	509,969,249	489,450,393

(b) Diluted (losses)/earnings per share

There were no dilutive potential ordinary shares in existence for the years ended December 31, 2023 and 2022. The calculated diluted earnings per share equals the basic earnings per share at December 31, 2023 and 2022.

11 每股(虧損)/盈利

(a) 每股基本(虧損)/盈利

每股基本及攤薄盈利乃根據本公司權益股東應佔虧損37,137,000美元(2022年:本公司權益股東應佔溢利139,369,000美元)及普通股加權平均數計算如下:

普通股加權平均數

(b) 每股攤薄(虧損)/盈利

截至2023年及2022年12月31日止年度，不存在潛在攤薄普通股。計算得出的每股攤薄盈利等於2023年及2022年12月31日的每股基本盈利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in US dollar ("USD") unless otherwise indicated)
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12 PROPERTIES, PLANTS AND EQUIPMENT

12 物業、廠房及設備

(a) Reconciliation of carrying amount

(a) 賬面值對賬

		Plant and buildings	Machinery and equipment	Software, motor vehicles and office equipment	Construction in progress	Total
		廠房及樓宇	機器及設備	軟件、汽車 及辦公設備	在建工程	總計
		USD' 000	USD' 000	USD' 000	USD' 000	USD' 000
		千美元	千美元	千美元	千美元	千美元
Cost:	成本：					
At January 1, 2022	於2022年1月1日	117,669	144,424	52,056	33,456	347,605
Additions	添置	753	33,449	8,701	38,249	81,152
Transfers	轉換	7,673	501	2,153	(10,327)	-
Disposals	出售	(1,007)	(17,030)	(972)	-	(19,009)
Exchange adjustment	匯兌調整	(9,940)	(11,925)	(1,116)	(3,644)	(26,625)
At December 31, 2022 and January 1, 2023	於2022年12月31日及 2023年1月1日	115,148	149,419	60,822	57,734	383,123
Additions	添置	-	23,523	12,486	41,048	77,057
Transfers	轉換	61,829	17,700	6,346	(85,875)	-
Disposals	出售	-	(2,719)	(5,962)	-	(8,681)
Exchange adjustment	匯兌調整	(1,801)	(916)	(515)	(745)	(3,977)
At December 31, 2023	於2023年12月31日	175,176	187,007	73,177	12,162	447,522
Accumulated depreciation:	累計折舊：					
At January 1, 2022	於2022年1月1日	(52,634)	(76,521)	(24,986)	-	(154,141)
Charge for the year	年度費用	(5,158)	(12,047)	(8,065)	-	(25,270)
Written back on disposals	出售時撥回	841	16,592	452	-	17,885
Exchange adjustment	匯兌調整	4,587	4,995	2,045	-	11,627
At December 31, 2022 and January 1, 2023	於2022年12月31日及 2023年1月1日	(52,364)	(66,981)	(30,554)	-	(149,899)
Charge for the year	年度費用	(5,952)	(14,856)	(7,477)	-	(28,285)
Written back on disposals	出售時撥回	-	1,201	3,744	-	4,945
Exchange adjustment	匯兌調整	1,849	139	284	-	2,272
At December 31, 2023	於2023年12月31日	(56,467)	(80,497)	(34,003)	-	(170,967)
Net book value:	賬面淨值：					
At December 31, 2022	於2022年12月31日	62,784	82,438	30,268	57,734	233,224
At December 31, 2023	於2023年12月31日	118,709	106,510	39,174	12,162	276,555

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in US dollar ("USD") unless otherwise indicated)
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12 PROPERTIES, PLANTS AND EQUIPMENT (CONTINUED) 12 物業、廠房及設備(續)

(a) Reconciliation of carrying amount (continued) (a) 賬面值對賬(續)

Note:

Certain properties, plants and equipment of the Group were pledged as security for bank loans (see Note 23). Details are set out as follows:

附註：

本集團的若干物業、廠房及設備已作為銀行貸款抵押物抵押(見附註23)。詳情如下：

		As at December 31, 於12月31日	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Plant and buildings	廠房及樓宇	31,740	48,145

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綜合財務報表附註

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13 RIGHT-OF-USE ASSETS

The analysis of the net book value of right-of-use assets by class of underlying asset is presented below:

13 使用權資產

按相關資產類別劃分的使用權資產賬面淨值分析如下：

		Plant and buildings 廠房及樓宇 USD' 000 千美元	Leasehold land 租賃土地 USD' 000 千美元	Total 總計 USD' 000 千美元
Cost:	成本：			
At January 1, 2022	於2022年1月1日	34,872	32,158	67,030
Additions	添置	8,815	-	8,815
Disposals	出售	(3,184)	-	(3,184)
Exchange adjustment	匯兌調整	(1,500)	(2,711)	(4,211)
At December 31, 2022 and January 1, 2023	於2022年12月31日及 2023年1月1日	39,003	29,447	68,450
Additions	添置	998	24,177	25,175
Disposals	出售	(14,119)	-	(14,119)
Exchange adjustment	匯兌調整	(199)	(592)	(791)
At December 31, 2023	於2023年12月31日	25,683	53,032	78,715
Accumulated depreciation:	累計折舊：			
At January 1, 2022	於2022年1月1日	(12,561)	(5,550)	(18,111)
Charge for the year	年度費用	(9,460)	(631)	(10,091)
Written back on disposals	出售時撥回	3,184	-	3,184
Exchange adjustment	匯兌調整	688	511	1,199
At December 31, 2022 and January 1, 2023	於2022年12月31日及 2023年1月1日	(18,149)	(5,670)	(23,819)
Charge for the year	年度費用	(6,732)	(884)	(7,616)
Written back on disposals	出售時撥回	10,510	-	10,510
Exchange adjustment	匯兌調整	94	98	192
At December 31, 2023	於2023年12月31日	(14,277)	(6,456)	(20,733)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in US dollar ("USD") unless otherwise indicated)
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13 RIGHT-OF-USE ASSETS (CONTINUED)

13 使用權資產 (續)

		Plant and buildings 廠房及樓宇 USD' 000 千美元	Leasehold land 租賃土地 USD' 000 千美元	Total 總計 USD' 000 千美元
Net book value:	賬面淨值：			
At December 31, 2022	於2022年12月31日	20,854	23,777	44,631
At December 31, 2023	於2023年12月31日	11,406	46,576	57,982

Notes:

- (i) The Group obtains the right-of-use certain land in the PRC under several operating lease agreements of 50 years. As at December 31, 2023, the carrying amounts of leasehold land held for own use were USD46,576,000 (2022: USD23,777,000).
- (ii) The Group has obtained the right to use certain office and warehouse properties through tenancy agreements during the years ended December 31, 2023 and 2022. The leases typically run for a period of 1 to 13 years.

附註：

- (i) 本集團在中國根據若干50年的經營租賃協議取得若干土地的使用權。於2023年12月31日，持作自用租賃土地的賬面值為46,576,000美元（2022年：23,777,000美元）。
- (ii) 本集團於2023年及2022年12月31日止年度通過租賃協議獲得若干辦公室及倉庫物業的使用權。租賃的租期通常為1至13年。

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(Expressed in US dollar ("USD") unless otherwise indicated)
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13 RIGHT-OF-USE ASSETS (CONTINUED)

The analysis of expense items in relation to leases recognized in profit or loss is as follows:

13 使用權資產(續)

與於損益確認的租賃相關的開支項目分析如下：

		As at December 31, 於12月31日	
		2023	2022
		2023年	2022年
		USD' 000	USD' 000
		千美元	千美元
Depreciation charge of right-of-use assets by class of underlying asset:	按相關資產類別劃分的使用權資產折舊費用：		
- Leasehold land	- 租賃土地	884	631
- Plant and buildings	- 廠房及樓宇	6,732	9,460
		7,616	10,091
Interest on lease liabilities (Note 6(a))	租賃負債利息(附註6(a))	590	952
Expense relating to short-term leases	與短期租賃有關的開支	2,864	2,082

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 22(e) and 24, respectively.

租賃總現金流出及租賃負債到期分析的詳情分別載於附註22(e)及24。

Certain right-of-use assets of the Group were pledged as security for bank loans (see Note 23). Details are set out as follows:

本集團的若干使用權資產已作為銀行貸款抵押物抵押(見附註23)。詳情如下：

		As at December 31, 於12月31日	
		2023	2022
		2023年	2022年
		USD' 000	USD' 000
		千美元	千美元
Leasehold land	租賃土地	21,852	22,779

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14 INTANGIBLE ASSETS

14 無形資產

		Patents 專利 USD' 000 千美元	Trademarks 商標 USD' 000 千美元	Total 總計 USD' 000 千美元
Cost:	成本：			
At January 1, 2022	於2022年1月1日	899	2,172	3,071
Disposals	出售	33	253	286
Exchange adjustment	匯兌調整	(2)	-	(2)
At December 31, 2022 and January 1, 2023	於2022年12月31日及 2023年1月1日	930	2,425	3,355
Disposals	出售	-	-	-
Exchange adjustment	匯兌調整	2	-	2
At December 31, 2023	於2023年12月31日	932	2,425	3,357
Accumulated amortization:	累計攤銷：			
At January 1, 2022	於2022年1月1日	(507)	(1,105)	(1,612)
Charge for the year	年度費用	(115)	(469)	(584)
Exchange adjustment	匯兌調整	3	-	3
At December 31, 2022 and January 1, 2023	於2022年12月31日及 2023年1月1日	(619)	(1,574)	(2,193)
Charge for the year	年度費用	(66)	(214)	(280)
Exchange adjustment	匯兌調整	(2)	-	(2)
At December 31, 2023	於2023年12月31日	(687)	(1,788)	(2,475)
Net book value:	賬面淨值：			
At December 31, 2022	於2022年12月31日	311	851	1,162
At December 31, 2023	於2023年12月31日	245	637	882

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14 INTANGIBLE ASSETS (CONTINUED)

Note:

Certain intangible assets of the Group were pledged as security for bank loans (see Note 23). Details are set out as follows:

14 無形資產(續)

附註：

本集團的若干無形資產已作為銀行貸款抵押物抵押(見附註23)詳情如下：

		As at December 31, 於12月31日	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Intangible assets	無形資產	—	1,162

15 INVESTMENTS IN SUBSIDIARIES

The following list contains the particulars of subsidiaries of the Company which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

15 於附屬公司的投資

下表載列本公司旗下主要影響本集團業績、資產或負債的附屬公司詳情。所持股份類型為普通，除非另有說明。

Company name 公司名稱	Place and date of establishment 成立地點及日期	Particulars of issued and paid-in capital 已發行及實繳資本詳情	Proportion of ownership interest 所有權權益比例		Principal activities 主要業務
			Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Chervon (China) Investment Co., Ltd. (泉峰(中國)投資有限公司)(Note (a)) 泉峰(中國)投資有限公司(附註(a))	The PRC August 2, 2016 中國2016年8月2日	USD120,000,000 120,000,000美元	100%	—	Investment holding 投資控股
Nanjing Chervon Industry Co., Ltd. (南京泉峰科技有限公司)(Note (a)) 南京泉峰科技有限公司(附註(a))	The PRC September 26, 1997 中國1997年9月26日	USD345,000,000 345,000,000美元	100%	—	Production of tools, research and development, sales 生產工具、研發、銷售
Chervon (China) Trading Co., Ltd. (泉峰(中國)貿易有限公司)(Note (a)) 泉峰(中國)貿易有限公司(附註(a))	The PRC March 29, 2006 中國2006年3月29日	USD6,200,000 6,200,000美元	—	100%	Sales of power tools and outdoor power equipment 銷售電動工具及戶外動力設備

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15 INVESTMENTS IN SUBSIDIARIES 15 於附屬公司的投資(續) (CONTINUED)

Company name 公司名稱	Place and date of establishment 成立地點及日期	Particulars of issued and paid-in capital 已發行及實繳資本詳情	Proportion of ownership interest 所有權權益比例		Principal activities 主要業務
			Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Chervon (China) Tools Sales Co., Ltd. (泉峰(中國)工具銷售有限公司) (Note (a)) 泉峰(中國)工具銷售有限公司(附註(a))	The PRC June 28, 2010 中國2010年6月28日	Renminbi ("RMB") 66,506,700 人民幣(「人民幣」) 66,506,700元	-	100%	Sales of power tools in the PRC 於中國銷售電動工具
Chervon (HK) Ltd. 泉峰(香港)有限公司	Hong Kong November 8, 2010 香港2010年11月8日	Hong Kong Dollar ("HKD") 790,000,000 790,000,000港元 (「港元」)	100%	-	Trading and financial management 貿易及財務管理
Chervon Overseas Holdings Co., Ltd. 泉峰海外控股有限公司	Hong Kong August 6, 2013 香港2013年8月6日	USD26,105,000 26,105,000美元	100%	-	Investment holding 投資控股
Chervon Industry (Vietnam) Company Limited 泉峰實業(越南)有限公司	Vietnam January 21, 2020 越南2020年1月21日	Vietnamese Dongs ("VND") 70,100,000,000 70,100,000,000越南盾 (「越南盾」)	-	100%	Production of gardening tools 生產園藝工具
Chervon Canada Inc. Chervon Canada Inc.	Canada October 31, 2016 加拿大2016年10月31日	CAD1,500,001 1,500,001加拿大元	-	100%	Sales of power tools and outdoor power equipment 銷售電動工具及戶外動力設備
Chervon Australia PTY Limited Chervon Australia PTY Limited	Australia July 31, 2016 澳大利亞2016年7月31日	AUD1,500,000 1,500,000澳元	-	100%	Sales of power tools and outdoor power equipment 銷售電動工具及戶外動力設備
Chervon North America Inc. Chervon North America Inc.	The United States February 25, 2005 美國2005年2月25日	USD300,000 300,000美元	-	100%	Research in the North American market, product design, sales and services 北美市場研究、產品設計、 銷售及服務

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15 INVESTMENTS IN SUBSIDIARIES (CONTINUED) 15 於附屬公司的投資(續)

Company name 公司名稱	Place and date of establishment 成立地點及日期	Particulars of issued and paid-in capital 已發行及實繳資本詳情	Proportion of ownership interest 所有權權益比例		Principal activities 主要業務
			Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Flex Geschäftsführungs GmbH	Germany May 3, 2013	Euro ("EUR") 25,000	-	100%	Investment holding
Flex Geschäftsführungs GmbH	德國2013年5月3日	25,000歐元(「歐元」)	-	100%	投資控股
Flex Verwaltungs GmbH & Co., KG	Germany May 22, 2013	EUR19,000,500	-	100%	Production of FLEX brand, design, sales and services
Flex Verwaltungs GmbH & Co., KG	德國2013年5月22日	19,000,500歐元	-	100%	生產FLEX品牌、設計、銷售及服務
Flex-Elektrowerzeuge GmbH	Germany November 27, 1980	EUR3,580,100	-	100%	Production of FLEX brand, design, sales and services
Flex-Elektrowerzeuge GmbH	德國1980年11月27日	3,580,100歐元	-	100%	生產FLEX品牌、設計、銷售及服務
Chervon GmbH	Germany July 1, 2016	EUR25,000	-	100%	Sales of power tools and outdoor power equipment
Chervon GmbH	德國2016年7月1日	25,000歐元	-	100%	銷售電動工具及戶外動力設備
EGO Europe GmbH	Germany November 20, 2015	EUR50,000	-	100%	Operation of EGO brand, sales, and services
EGO Europe GmbH	德國2015年11月20日	50,000歐元	-	100%	經營EGO品牌、銷售及服務
Flex Elektronáradí, s.r.o	The Czech Republic June 18, 2008	CZK500,000	-	100%	Sales of power tools and outdoor power equipment
Flex Elektronáradí, s.r.o	捷克共和國2008年6月18日	500,000捷克克朗	-	100%	銷售電動工具及戶外動力設備
Flex Italia S.r.l.	Italy July 11, 2012	EUR50,000	-	100%	Sales of power tools and outdoor power equipment
Flex Italia S.r.l.	意大利2012年7月11日	50,000歐元	-	100%	銷售電動工具及戶外動力設備

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15 INVESTMENTS IN SUBSIDIARIES 15 於附屬公司的投資(續) (CONTINUED)

Company name 公司名稱	Place and date of establishment 成立地點及日期	Particulars of issued and paid-in capital 已發行及實繳資本詳情	Proportion of ownership interest 所有權益比例		Principal activities 主要業務
			Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Flex Electroportatif Machines ET Accessoires	France July 11, 2012	EUR10,000	-	100%	Sales of power tools and outdoor power equipment
Flex Electroportatif Machines ET Accessoires	法國2012年7月11日	10,000歐元	-	100%	銷售電動工具及戶外動力設備
Flex Power Tools BVBA	Belgium May 15, 2005	EUR95,167,585	-	100%	Sales of power tools and outdoor power equipment
Flex Power Tools BVBA	比利時2005年5月15日	95,167,585歐元	-	100%	銷售電動工具及戶外動力設備
Flex Power Tools B. V.	The Netherlands January 24,2012	EUR31,800	-	100%	Sales of power tools and outdoor power equipment
Flex Power Tools B. V.	荷蘭2012年1月24日	31,800歐元	-	100%	銷售電動工具及戶外動力設備
Skil B.V.	The Netherlands August 12,2016	EUR50,000	-	100%	Do-It-Yourself business design in Europe, operations and sales
Skil B.V.	荷蘭2016年8月12日	50,000歐元	-	100%	歐洲自助式業務設計、 營運及銷售
Flex Power Tools Ltd.	The United Kingdom November 9, 2020	GBP1	-	100%	Sales of power tools and outdoor power equipment
Flex Power Tools Ltd.	英國2020年11月9日	1英鎊	-	100%	銷售電動工具及戶外動力設備
Flex Power Tools Middle East FZCO	The United Arab Emirates April 13,2022	AED2,000,000	-	70%	Sales of power tools and outdoor power equipment
Flex Power Tools Middle East FZCO	阿拉伯聯合酋長國 2022年4月13日	2,000,000迪拉姆	-	70%	銷售電動工具及戶外 動力設備

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15 INVESTMENTS IN SUBSIDIARIES 15 於附屬公司的投資(續) (CONTINUED)

Company name 公司名稱	Place and date of establishment 成立地點及日期	Particulars of issued and paid-in capital 已發行及實繳資本詳情	Proportion of ownership interest 所有權權益比例		Principal activities 主要業務
			Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Chervon Europe Limited	The United Kingdom June 7, 2007	GBP1	-	100%	Sales of power tools and outdoor power equipment
Chervon Europe Limited	英國2007年6月7日	1英鎊	-	100%	銷售電動工具及戶外動力設備
Chervon NZ Subsidiary Limited	New Zealand May 3, 2021	New Zealand Dollar ("NZD") 1,500,100	-	100%	Sales of power tools and outdoor power equipment
Chervon NZ Subsidiary Limited	新西蘭2021年5月3日	1,500,100新西蘭元 (「紐幣」)	-	100%	銷售電動工具及戶外動力設備

Note:

(a) These entities are limited liability companies established in the PRC. The official names of these entities are in Chinese. The English translation of the Company names is for identification purpose only.

None of the Group's subsidiaries has a material non-controlling interest.

附註：

(a) 該等實體為在中國成立的有限責任公司。該等實體的官方名稱為中文名稱。公司名稱的英文翻譯僅供識別之用。

本集團所有附屬公司均無重大非控股權益。

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16 INTEREST IN AN ASSOCIATE

The following list contains the particulars of the Group's associate:

16 於聯營公司的權益

以下列表包含本集團聯營公司的詳情：

Name of associate 聯營公司名稱	Form of business structure 業務架構形式	Place of incorporation and business 註冊成立及業務地點	Particulars of issued and paid-up capital 已發行及實繳資本詳情	Proportion of ownership interest as At December 31, 2023 所有權權益比例於2023年12月31日			Principal activities 主要業務
				Group's effective interest 本集團實際權益	Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Nanjing Chervon Auto Precision Technology Co., Ltd. (南京泉峰汽車精密技術股份有限公司) ("Chervon Auto Precision Technology")*	Incorporated	The PRC	Renminbi ("RMB") 263,837,041	24.74%	-	24.74%	Manufacturing, Research and development and sales of auto parts
南京泉峰汽車精密技術股份有限公司 (「泉峰汽車精密技術」)*	註冊成立	中國	人民幣 (「人民幣」) 263,837,041元	24.74%	-	24.74%	製造、研發及銷售汽車零配件

* : Chervon Auto Precision Technology is a limited liability company established in the PRC. The official name is in Chinese. The English translation of the company name is for identification purpose only.

* : 泉峰汽車精密技術為一間於中國成立之有限公司。該等實體的官方名稱為中文名稱。公司名稱的英文翻譯僅供識別之用。

Note:

Nanjing Chervon Auto Precision Technology Co., Ltd. was established in the PRC with limited liability on March 19, 2012 and is principally engaged in the production, sales and research and development of automotive power systems and relevant components. Its shares are currently listed on the Shanghai Stock Exchange (stock code: 603982.SH).

附註：

南京泉峰汽車精密技術股份有限公司於2012年3月19日在中國成立為有限公司，主要從事汽車動力系統及相關零部件的生產、銷售及研發。其股份目前於上海證券交易所上市（股票代碼：603982.SH）。

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16 INTEREST IN AN ASSOCIATE (CONTINUED)

Note: (Continued)

In September 2016, the Group acquired 38.8% of the equity interest in Chervon Auto Precision Technology from Nanjing Chervon Industry Co., Ltd. of USD19,400,000 (RMB129,776,300 equivalent). In November 2016, Chervon Auto Precision Technology reduced its registered capital and the Group reduced its investment to RMB46,560,000 on a pro rata basis. In March 2017, the proportion of the Group's interest in Chervon Auto Precision Technology has been diluted to 31.04% due to the new financing obtained by Chervon Auto Precision Technology and further diluted to 23.28% in April 2019 due to the listing of Chervon Auto Precision Technology on Shanghai Stock Exchange. In June 2020, the proportion of the Group's interest in Chervon Auto Precision Technology has been diluted to 23.10% due to the new issuance of shares and increased to 23.12% due to the repurchase of the shares by Chervon Auto Precision Technology in 2021.

In November 2022, the Group further purchased 18,111,000 shares of Chervon Auto Precision Technology with a total subscription amount of RMB357,875,000 (USD50,340,000 equivalent) and the proportion of the Group's interest increased to 24.72%. In December 2023, the proportion of the Group's interest in Chervon Auto Precision Technology has been increased to 24.74% due to the repurchase of the shares by Chervon Auto Precision Technology in 2023.

The associate above is accounted for using the equity method in the consolidated financial statements.

16 於聯營公司的權益(續)

附註：(續)

於2016年9月，本集團以19,400,000美元(相當於人民幣129,776,300元)自南京泉峰科技有限公司收購泉峰汽車精密技術的38.8%股權。於2016年11月，泉峰汽車精密技術削減其註冊資本，而本集團按比例削減其投資至人民幣46,560,000元。於2017年3月，由於泉峰汽車精密技術取得新融資，本集團於泉峰汽車精密技術的權益比例已攤薄至31.04%，並於2019年4月因泉峰汽車精密技術於上海證券交易所上市進一步攤薄至23.28%。於2020年6月，本集團於泉峰汽車精密技術的權益比例因發行新股而攤薄至23.10%，並因泉峰汽車精密技術於2021年購回股份而增加至23.12%。

於2022年11月，本集團進一步購買泉峰汽車精密技術18,111,000股股份，收購總額為人民幣357,875,000元(相當於50,340,000美元)，本集團的權益比例增至24.72%。於2023年12月，本集團於泉峰汽車精密技術的權益比例因泉峰汽車精密技術於2023年購回股份而增加至24.74%。

上述所有聯營公司在綜合財務報表中均採用權益法核算。

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16 INTEREST IN AN ASSOCIATE (CONTINUED)

Summarized financial information of the material associate, Chervon Auto Precision Technology, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements are disclosed below:

16 於聯營公司的權益(續)

重要聯營公司泉峰汽車精密技術的財務資料概要根據會計政策差異進行了調整，並與綜合財務報表中賬面金額進行對賬，披露如下：

		December 31, 2023 2023年 12月31日 USD'000 千美元	December 31, 2022 2022年 12月31日 USD'000 千美元
Gross amounts of Chervon Auto Precision Technology's	泉峰汽車精密技術總金額		
Current assets	流動資產	347,642	359,499
Non-current assets	非流動資產	611,625	546,475
Current liabilities	流動負債	(362,696)	(288,158)
Non-current liabilities	非流動負債	(270,260)	(208,595)
Equity	權益	(326,311)	(409,221)
Revenue	收入	302,181	258,677
Loss from continuing operations	持續經營業務虧損	(80,038)	(23,243)
Other comprehensive income	其他全面收益	1,601	569
Total comprehensive loss	全面虧損總額	(78,437)	(22,674)
Dividend received	已收股息	-	510
Reconciled to the Group's interest in Chervon Auto Precision Technology	與本集團於泉峰汽車精密技術權益對賬		
Gross amounts of net assets of Chervon Auto Precision Technology	泉峰汽車精密技術資產淨值總金額	326,311	409,221
Group's effective interest	本集團實際權益	24.74%	24.50%
Group's share of net assets of Chervon Auto Precision Technology	本集團應佔泉峰汽車精密技術資產淨值	80,738	100,278
Goodwill	商譽	6,183	6,288
Carrying amount of in the consolidated financial statements	綜合財務報表內賬面金額	86,921	106,566
Market value	市場報價	131,586	188,314
Group's share of Chervon Auto Precision Technology's	本集團應佔泉峰汽車精密技術		
Loss from continuing operations	持續經營業務虧損	(19,667)	(5,543)
Deemed gain on dilution of interest in an associate	被視為於聯營公司稀釋權益的收益	1,326	53
Other comprehensive income	其他全面收益	395	139
Total comprehensive loss	全面虧損總額	(17,946)	(5,351)

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綜合財務報表附註

(Expressed in US dollar ("USD") unless otherwise indicated)
(以美元「美元」列示，除非另有指明)

17 FINANCIAL ASSETS AT FVPL

17 以公允價值計量且其變動計當期損益的金融資產

		As at December 31, 於12月31日	
		2023	2022
		2023年	2022年
		USD'000	USD'000
		千美元	千美元
Financial assets at FVPL – non-current	以公允價值計量且其變動計入當期損益的金融資產 – 非即期		
– Insurance product	– 保險產品	6,393	6,202
Financial assets at FVPL – current	以公允價值計量且其變動計入當期損益的金融資產 – 即期		
– Convertible bonds	– 可換股債券	–	20,019
		6,393	26,221

The Group's non-current balances of financial assets at FVPL represent a life insurance product issued by an independent third-party insurance company.

本集團以公允價值計量且其變動計入當期損益的金融資產的非即期結餘指獨立第三方保險公司推出的人壽保險產品。

The Group's current balances of financial assets at FVPL as at December 31, 2022 represents convertible bonds issued by Chervon Auto Precision Technology held by the Group for trading purposes and were disposed in 2023.

本集團於2022年12月31日以公允價值計量且其變動計入當期損益的金融資產的即期結餘指泉峰汽車精密技術發行的可換股債券，由本集團持有作交易目的並於2023年出售。

The analysis on the fair value measurement of the Group's above financial assets is disclosed in Note 33(e).

有關本集團上述金融資產的公允價值計量分析披露於附註33(e)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in US dollar ("USD") unless otherwise indicated)
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18 DERIVATIVE FINANCIAL INSTRUMENTS

18 衍生金融工具

		As at December 31, 於12月31日	
		2023	2022
		2023年	2022年
		USD'000	USD'000
		千美元	千美元
Assets	資產		
- Foreign currency forward contracts (Note (i))	- 外匯遠期合約 (附註(i))	2,553	2,288
		2,553	2,288
Liabilities	負債		
- Foreign currency forward contracts (Note (i))	- 外匯遠期合約 (附註(i))	804	3,579
- Foreign currency option contracts (Note (i))	- 外幣期權合約 (附註(i))	1,212	2
- Foreign exchange swap contract (Note (ii))	- 外匯掉期合約 (附註(ii))	319	-
		2,335	3,581

(i) The Group entered into several foreign currency forward contracts and foreign currency option contracts with certain banks to mitigate the currency risk arising from certain of its bank loans and receivables denominated in USD and EUR.

(ii) The Group entered into several foreign exchange swap contracts with bank to mitigate the currency risk arising from receivables denominated in USD.

The fair value changes of above derivative financial instruments were recognized in other net gains and losses.

The analysis on the fair value measurement of the above financial assets is disclosed in Note 33(e).

(i) 本集團與若干銀行訂立了若干外匯遠期合約及外幣期權合約，以降低其若干以美元及歐元計值的銀行貸款及應收款項產生的貨幣風險。

(ii) 本集團與銀行訂立了若干外匯掉期合約，以降低其以美元計值的應收款項產生的貨幣風險。

上述衍生金融工具的公允價值變動於其他淨收益及虧損中確認。

有關上述金融資產的公允價值計量分析披露於附註33(e)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in US dollar ("USD") unless otherwise indicated)
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19 INVENTORIES

(a) Inventories in the consolidated statements of financial position comprise:

19 存貨

(a) 綜合財務狀況表中的存貨包括：

		As at December 31, 於12月31日	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Raw materials	原材料	248,885	163,128
Consumables	消耗品	5,743	7,862
Semi-finished goods	半成品	16,703	29,049
Finished goods	成品	321,782	416,944
		593,113	616,983
Write down of inventories	存貨撇減	(62,162)	(16,984)
		530,951	599,999

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in US dollar ("USD") unless otherwise indicated)
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19 INVENTORIES (CONTINUED)

(b) The analysis of the amount of inventories recognized as an expense and included in profit or loss is as follows:

19 存貨(續)

(b) 確認為開支及計入損益的存貨金額分析如下：

		Year ended December 31, 截至12月31日止年度	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Carrying amount of inventories sold	已售存貨賬面值	942,703	1,385,407
Written-off of inventories	存貨撇減	(1,880)	(2,698)
Provision for write-down of inventories	存貨撇減撥備	47,058	12,248
		987,881	1,394,957

All inventories are expected to be recovered within one year.

所有存貨預計將於一年內收回。

(c) Certain inventories of the Group were pledged as security for bank loans (see Note 23). Details are set out as follows:

(c) 本集團的若干存貨已作為銀行貸款抵押物抵押(見附註23)。詳情如下：

		As at December 31, 於12月31日	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Inventories	存貨	16,565	177,596

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綜合財務報表附註

(Expressed in US dollar ("USD") unless otherwise indicated)
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20 TRADE AND BILLS RECEIVABLES

20 貿易應收款項及應收票據

		As at December 31, 於12月31日	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
		Notes 附註	
Trade debtors and bills receivable, net of loss allowance	應收賬款及應收票據， 扣除虧損撥備		
– measured at amortised cost	– 按攤銷成本計量	(i)	
Trade receivables	貿易應收款項		168,017
Bills receivables	應收票據		1,174
			351,628
			2,424
			354,052
– measured at FVOCI	– 以公允價值計量且其變動 計入其他綜合收益	(ii)	169,191
Trade receivables	貿易應收款項		51,029
			4,959
			359,011
			220,220

All of the trade and bills receivables are expected to be recovered within one year.

Bills receivable primarily represent short-term bank acceptance notes receivable that entitle the Group to receive the full face amount from the banks at maturity, which generally ranges from 3 to 12 months from the date of issuance. Historically, the Group had experienced no credit losses on bills receivable.

所有貿易應收款項及應收票據預計將於一年內收回。

應收票據主要指賦予本集團權利以於到期時自銀行收回到期的全部面值的應收短期銀行承兌票據，該等票據通常自發行日期起為期3至12個月。過往，本集團未遇到應收票據出現信貸虧損的情況。

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綜合財務報表附註

(Expressed in US dollar ("USD") unless otherwise indicated)
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20 TRADE AND BILLS RECEIVABLES (CONTINUED) 20 貿易應收款項及應收票據(續)

Notes:

- (i) As at December 31, 2023, certain trade debtors of USD1,538,000 (2022: USD78,862,000) were pledged as securities for bank loans of the Group (see Note 23).
- (ii) Certain amounts of the Group's trade debtors and bill receivables measured at FVOCI are trade debtors factored to banks in accordance with receivables purchase agreements. These factored trade debtors were held for both collection of contractual cash flows and sales. The contractual cash flows of the trade debtors comprised solely payments of principal and interest. Changes in fair value are recognized in other comprehensive income, except for the recognition in profit or loss of ECLs.

Aging analysis

As of the end of the reporting period, the aging analysis of trade and bills receivables, based on the invoice date and net of loss allowance, is as follows:

		As at December 31, 於12月31日	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Within 6 months	6個月內	347,589	166,216
Over 6 months but within 12 months	6個月以上但於12個月內	6,160	2,650
Over 12 months	12個月以上	303	325
		354,052	169,191

Trade and bills receivables are due within 30 – 180 days from the date of billing. Further details on the Group's credit policy and credit risk arising from trade and bills receivables are set out in Note 33(a).

附註：

- (i) 於2023年12月31日，1,538,000美元(2022年：78,862,000美元)的若干貿易應收款項已分別被質押作為本集團銀行貸款的抵押(見附註23)。
- (ii) 本集團以公允價值計量且其變動計入其他全面收益的貿易應收款項及應收票據的若干金額為根據應收款項購買協議向銀行保理貿易應收款項。就收回合約現金流及銷售持有該等獲保理的貿易應收款項。貿易應收款項的合約現金流僅包括本息付款。公允價值變動於其他全面收益內確認，惟預期信貸虧損於損益內確認。

賬齡分析

截至報告期末，基於發票日期及扣除虧損撥備的貿易應收款項及應收票據的賬齡分析如下：

貿易應收款項及應收票據自開票日期起計30至180日內到期。有關本集團信貸政策及貿易應收款項及應收票據產生的信貸風險的進一步詳情載於附註33(a)。

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綜合財務報表附註

(Expressed in US dollar ("USD") unless otherwise indicated)
(以美元「美元」列示，除非另有指明)

21 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES 21 預付款項、保證金及其他應收款項

The Group	本集團	As at December 31, 於12月31日	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Current	即期		
Value added tax recoverable	可收回增值稅	8,855	11,165
Other tax recoverable	其他可收回稅項	2,013	2,240
Prepayments for materials and expenses	材料預付款項及開支	55,245	61,911
Advances to employee	向僱員作出的墊款	905	1,116
Other deposits and receivables	其他保證金及應收款項	3,877	2,222
		70,895	78,654
Less: loss allowance	減：虧損撥備	—	—
		70,895	78,654
Non-current	非即期		
Prepayments for properties, plants and equipment	物業、廠房及設備預付款項	1,482	3,224
Advances to staff	向僱員作出的墊款	3,155	2,627
		4,637	5,851
The Company	本公司	As at December 31, 於12月31日	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Current	即期		
Amounts due from subsidiaries	應收附屬公司款項	196,486	269,539

All of prepayments, deposits and other receivables current balances are expected to be recovered or recognized as expense within one year.

預付款項、保證金及其他應收款項的所有即期結餘預計將於一年內收回或確認為開支。

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(Expressed in US dollar ("USD") unless otherwise indicated)
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22 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS 22 現金及現金等價物及已抵押存款

(a) Cash and cash equivalents comprise:

(a) 現金及現金等價物包括：

		As at December 31, 於12月31日	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Cash at bank	銀行現金	296,280	466,654
Cash in hand	手頭現金	57	59
		296,337	466,713

Note:

As at December 31, 2023, cash and cash equivalents situated in Mainland China amounted to USD256,571,262 (2022: USD227,992,000). Remittance of funds out of Mainland China is subject to relevant rules and regulations of foreign exchange control.

附註：

於2023年12月31日，位於中國內地的現金及現金等價物金額為256,571,262美元（2022年：227,992,000美元）。將資金匯出中國內地須遵守外匯管制相關規章制度。

(b) Pledged deposits comprise:

(b) 抵押存款包括：

		As at December 31, 於12月31日	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Pledged deposits for	抵押存款		
– issuance of bills payable	– 發行應付票據	3,733	5,155
– issuance of banking facilities	– 發放銀行融資	14,511	31,340
		18,244	36,495

The pledged deposits will be released upon the settlement of letters of credit and bills payable and by the Group or the expiry of relevant banking facilities.

抵押存款將於本集團結算信用證及應付票據或相關銀行融資到期後解除。

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22 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (CONTINUED)

22 現金及現金等價物及已抵押存款（續）

(c) Reconciliation of (loss)/profit before taxation to cash generated from operations

(c) 除稅前（虧損）／利潤與經營所得現金的對賬

		Year ended December 31, 截至12月31日止年度	
		2023	2022
		2023年	2022年
		USD' 000	USD' 000
		千美元	千美元
		Note	
		附註	
(Loss)/profit before taxation	除稅前（虧損）／利潤	(48,856)	161,390
Adjustments for:	調整：		
Depreciation of properties, plants and equipment	物業、廠房及設備折舊	28,285	25,270
Depreciation of right-of-use assets	使用權資產折舊	7,616	10,091
Amortization of intangible assets	無形資產攤銷	280	584
Net finance costs	財務成本淨額	3,290	22,265
Share of loss of an associate	應佔聯營公司虧損	18,341	5,490
Net losses on disposal of properties, plants and equipment	出售物業、廠房及設備的虧損淨額	46	176
Net losses on disposal of leases	出租租賃的虧損淨額	1,226	-
Net realized and unrealized loss on convertible bonds	可換股債券的已變現及未變現虧損淨額	630	15,280
Net realized and unrealized gains on financial assets at FVPL other than convertible bonds	以公允價值計量且其變動計入當期損益的金融資產的已變現及未變現收益淨額（可換股債券除外）	(948)	(1,654)
Net realized and unrealized loss on derivative financial instruments	衍生金融工具的已變現及未變現虧損淨額	12,181	23,297
Provision for impairment loss on trade and other receivables	貿易及其他應收款項減值虧損的撥備	1,172	1,401
Provision for write-down of inventories	存貨撇減撥備	47,058	12,248
Amortization of deferred income	遞延收益攤銷	(89)	(93)
Foreign exchange gain	匯兌收益	(6,743)	(4,185)
Operating profit before changes in working capital	營運資金變動前的經營利潤	63,489	271,560
Decrease in pledged deposits	抵押存款減少	1,422	16,661
Decrease/(Increase) in inventories	存貨減少／（增加）	23,870	(17,525)
(Increase)/decrease in trade and bills receivables	貿易應收款項及應收票據（增加）／減少	(141,688)	63,753
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、保證金及其他應收款項減少／（增加）	7,231	(35,086)
Increase in right to returned goods asset	被退貨資產的權利增加	(21,831)	(1,344)
Decrease in trade payables	貿易應付款項減少	(69,498)	(218,800)
Decrease in other payables and accruals	其他應付款項及應計費用減少	(66,532)	(40,212)
Increase in warranty provision	保修撥備增加	12,544	5,208
Increase in refund liabilities from right of return	退回權利的退款負債增加	29,672	2,180
Decrease in defined benefit retirement plans obligation	界定福利退休計劃責任減少	(36)	(56)
Cash (used in)/generated from operations	經營（所用）／所得現金	(161,357)	46,339

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22 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (CONTINUED) 22 現金及現金等價物及已抵押存款(續)

(d) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statements as cash flows from financing activities.

(d) 融資活動產生的負債對賬

下表詳述了本集團自融資活動產生的負債的變動(包括現金及非現金變動)。融資活動產生的負債為其現金流量或未來現金流量於本集團綜合現金流量表內已分類或將分類為來自融資活動的現金流量的負債。

		Bank loans 銀行貸款 USD'000 千美元 (Note 23) (附註23)	Interest payable 應付利息 USD'000 千美元 (Note 26) (附註26)	Lease liabilities 租賃負債 USD'000 千美元 (Note 24) (附註24)	Total 總計 USD'000 千美元
At January 1, 2022	於2022年1月1日	433,646	752	23,235	457,633
Changes from financing cash flows:	融資現金流量變動：				
Proceeds from bank loans	銀行貸款所得款項	493,951	-	-	493,951
Repayment of bank loans	償還銀行貸款	(593,910)	-	-	(593,910)
Capital element of lease rentals paid	已付租賃租金的資本部分	-	-	(8,755)	(8,755)
Interest element of lease rentals paid	已付租賃租金的利息部分	-	-	(952)	(952)
Interest paid	已付利息	-	(12,570)	-	(12,570)
Total changes from financing cash flows	融資現金流量變動總額	(99,959)	(12,570)	(9,707)	(122,236)
Exchange adjustments	匯兌調整	(4,194)	-	(1,252)	(5,446)
Other changes:	其他變動：				
Increase in lease liabilities from entering into new leases during the year	年內訂立新租賃產生的租賃負債增加	-	-	8,815	8,815
Interest expenses (Note 6(a))	利息開支(附註6(a))	-	12,267	952	13,219
Total other changes	其他變動總額	-	12,267	9,767	22,034

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(以美元「美元」列示，除非另有指明)

22 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (CONTINUED) 22 現金及現金等價物及已抵押存款(續)

(d) Reconciliation of liabilities arising from financing activities (continued) (d) 融資活動產生的負債對賬(續)

		Bank loans 銀行貸款 USD' 000 千美元 (Note 23) (附註23)	Interest payable 應付利息 USD' 000 千美元 (Note 26) (附註26)	Lease liabilities 租賃負債 USD' 000 千美元 (Note 24) (附註24)	Total 總計 USD' 000 千美元
At December 31, 2022 and January 1, 2023	於2022年12月31日及2023年1月1日	329,493	449	22,043	351,985
Changes from financing cash flows:	融資現金流量變動：				
Proceeds from bank loans	銀行貸款所得款項	346,345	—	—	346,345
Repayment of bank loans	償還銀行貸款	(348,834)	—	—	(348,834)
Capital element of lease rentals paid	已付租賃租金的資本部分	—	—	(6,346)	(6,346)
Interest element of lease rentals paid	已付租賃租金的利息部分	—	—	(590)	(590)
Interest paid	已付利息	—	(8,816)	—	(8,816)
Total changes from financing cash flows	融資現金流量變動總額	(2,489)	(8,816)	(6,936)	(18,241)
Exchange adjustments	匯兌調整	(3,364)	—	(705)	(4,069)
Other changes:	其他變動：				
Decrease in lease liabilities from disposal leases during the year	年內出售租賃產生的租賃負債減少	—	—	(3,609)	(3,609)
Increase in lease liabilities from entering into new leases during the year	年內訂立新租賃產生的租賃負債增加	—	—	998	998
Interest expenses (Note 6(a))	利息開支(附註6(a))	—	8,819	590	9,409
Total other changes	其他變動總額	—	8,819	(2,021)	6,798
At December 31, 2023	於2023年12月31日	323,640	452	12,381	336,473

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(Expressed in US dollar ("USD") unless otherwise indicated)
(以美元「美元」列示，除非另有指明)

22 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (CONTINUED) 22 現金及現金等價物及已抵押存款(續)

(e) Total cash flow for leases

Amounts included in the cash flow statement for leases comprise the following:

(e) 租賃現金流量總額

計入租賃現金流量表的金額包括以下各項：

		Year ended December 31, 截至12月31日止年度	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Within operating cash flows	於經營現金流量內	2,864	2,082
Within financing cash flows	於融資現金流量內	6,936	9,707
		9,800	11,789

These amounts relate to the following:

該等款項與下列各項有關：

		Year ended December 31, 截至12月31日止年度	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Lease rentals paid	已付租賃租金	9,800	11,789

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23 BANK LOANS

The maturity profile for the interest-bearing bank loans of the Group and the Company at the end of each reporting period is as follows:

23 銀行貸款

本集團及本公司的計息銀行貸款於各報告期末的到期情況如下：

		As at December 31, 於12月31日	
		2023	2022
		2023年	2022年
		USD' 000	USD' 000
		千美元	千美元
Short-term bank loans	短期銀行貸款	138,822	133,480
Current portion of long-term bank loans	長期銀行貸款的即期部分	59,363	59,424
Within 1 year or on demand	1年內或按要求	198,185	192,904
After 1 year but within 2 years	1年後但於2年內	115,130	101,042
After 2 years but within 5 years	2年後但於5年內	10,325	34,471
More than 5 years	超過5年	—	1,076
		125,455	136,589
		323,640	329,493

At the end of each reporting period, the bank loans were secured and guaranteed as follows:

於各報告期末，銀行貸款抵押及擔保如下：

		As at December 31, 於12月31日	
		2023	2022
		2023年	2022年
		USD' 000	USD' 000
		千美元	千美元
Bank loans	銀行貸款		
– Secured	– 有抵押	61,311	64,007
– Secured and guaranteed	– 有抵押有擔保	144,013	150,762
– Guaranteed	– 有擔保	64,947	81,802
– Unsecured and unguaranteed	– 無抵押無擔保	53,369	32,922
		323,640	329,493

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23 BANK LOANS (CONTINUED)

Note:

- (i) The Group's bank loans were secured by certain assets of the Group. An analysis of the carrying value of these assets is as follows:

23 銀行貸款(續)

附註：

- (i) 本集團的銀行貸款以本集團的若干資產作抵押。該等資產的賬面值分析如下：

		As at December 31, 於12月31日	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Plants and buildings (Note 12)	廠房及樓宇(附註12)	31,740	48,145
Leasehold land (Note 13)	租賃土地(附註13)	21,852	22,779
Intangible assets (Note 14)	無形資產(附註14)	—	1,162
Inventories (Note 19)	存貨(附註19)	16,565	177,596
Trade and bills receivables (Note 20)	貿易應收款項及應收票據(附註20)	1,538	78,862
Pledged deposits (Note 22(b))	已抵押存款(附註22(b))	14,511	31,340
Other assets	其他資產	—	7,923
		86,206	367,807

24 LEASE LIABILITIES

At December 31, 2023, the lease liabilities were repayable as follows:

24 租賃負債

於2023年12月31日，租賃負債應償還情況如下：

		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Within 1 year	1年內	2,690	7,583
After 1 year but within 2 years	1年後但於2年內	3,471	5,152
After 2 years but within 5 years	2年後但於5年內	4,058	5,873
After 5 years	5年後	2,162	3,435
		9,691	14,460
		12,381	22,043

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25 TRADE AND BILLS PAYABLES

25 貿易應付款項及應付票據

		As at December 31, 於12月31日	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Trade payables	貿易應付款項	206,781	271,020
Bills payable	應付票據	18,173	23,432
		224,954	294,452

As of the end of the reporting period, the aging analysis of trade and bills payables, based on the invoice date, is as follows:

截至報告期末，基於發票日期的貿易應付款項及應付票據的賬齡分析如下：

		As at December 31, 於12月31日	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Within 3 months	3個月內	156,043	220,610
3 to 12 months	3至12個月	68,911	73,842
		224,954	294,452

All of the trade and bills payables are expected to be settled within one year or repayable on demand.

所有貿易應付款項及應付票據預計將於一年內結算或須按的要求償還。

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26 OTHER PAYABLES AND ACCRUALS

The Group

		As at December 31, 於12月31日	
		2023	2022
		2023年	2022年
		USD'000	USD'000
		千美元	千美元
Other payables and accrued charges	其他應付款項及應計支出	95,766	134,753
Salaries, wages, bonus and benefits payable	應付薪金、工資、花紅及福利	13,988	25,355
Payables for purchase of properties, plants and equipment	購置物業、廠房及設備的應付款項	16,543	5,393
Interest payables	應付利息	452	449
Other tax payables	其他應繳稅項	15,758	11,216
		142,507	177,166

26 其他應付款項及應計費用

本集團

The Company

本公司

		As at December 31, 於12月31日	
		2023	2022
		2023年	2022年
		USD'000	USD'000
		千美元	千美元
Amounts due to subsidiaries	應付附屬公司款項	7,122	76
Other payables and accruals	其他應付款項及應計費用	22	83
		7,144	159

All of the other payables and accruals are expected to be settled within one year or repayable on demand.

所有其他應付款項及應計費用預計將於一年內結算或須按要求償還。

Note:

附註：

Other payables and accrued charges primarily comprise accruals for marketing and advertising fee, utility expenses, service fee and other expenses.

其他應付款項及應計支出主要包括營銷及廣告費用、公用事業開支、服務費及其他開支的應計費用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in US dollar ("USD") unless otherwise indicated)
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27 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION 27 綜合財務狀況表中的所得稅

(a) Current taxation in the consolidated statements of financial position represents: (a) 綜合財務狀況表中的即期稅項指：

		As at December 31, 於12月31日	
		2023 2023年 USD' 000 千美元	2022 2022年 USD' 000 千美元
At the beginning of the year	於年初	(4,526)	(293)
Provision for the year:	年內撥備：		
– PRC Corporate Income Tax	– 中國企業所得稅	–	(3,034)
– Hong Kong Profits Tax	– 香港利得稅	–	(16,207)
– Income tax for tax jurisdictions outside PRC and Hong Kong	– 中國及香港境外稅務司法管轄區的所得稅	(3,786)	(8,038)
		(8,312)	(27,572)
Over-provision in respect of prior years	有關過往年度的超額撥備	(226)	28
Tax paid:	已付稅項：		
– PRC Corporate Income Tax	– 中國企業所得稅	8,314	2,591
– Hong Kong Profits Tax	– 香港利得稅	6,808	16,754
– Income tax for tax jurisdictions outside PRC and Hong Kong	– 中國及香港境外稅務司法管轄區的所得稅	1,209	9,081
		7,793	882
Tax refund	已退稅項	(3,987)	(5,151)
Exchange adjustment	匯兌調整	133	(257)
At the end of the year	於年末	3,939	(4,526)
Represented by:	指：		
Taxation recoverable	可收回稅項	10,972	5,184
Taxation payable	應付稅項	(7,033)	(9,710)
		3,939	(4,526)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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27 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

27 綜合財務狀況表中的所得稅（續）

(b) Deferred tax assets and liabilities recognized represents:

(b) 已確認的遞延稅項資產及負債指：

(i) The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

(i) 於綜合財務狀況表內確認的遞延稅項資產／（負債）的組成部分及於年內的變動如下：

		Provision for asset impairment	Unrealized profits on inventories	Deductible tax losses	Deferred income	Accrued expenses	Defined benefit retirement plans obligation	Right-of-use assets	Lease Liabilities	Fair value change of derivative financial liabilities	Depreciation of properties, plants, and equipment	Fair value change of financial instruments at FVPL and derivative financial instruments	Undistributed profits	Total
		資產減值撥備	未變現存貨利潤	可扣減稅項虧損	遞延收入	應計開支	界定福利退休計劃義務	使用權資產	租賃負債	負債的公允價值變動	物業、廠房及設備折舊	以公允價值計量且其變動計入當期損益的金融資產及衍生金融工具	未分配利潤	總計
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元
At January 1, 2022	於2022年1月1日	2,482	17,086	3,116	621	3,381	197	(1,720)	1,734	(19)	(1,949)	(4,966)	(7,162)	12,801
Recognized in profit or loss	於損益內確認	2,037	5,873	(1,462)	(11)	(2,577)	-	117	(97)	613	(3,636)	4,160	122	5,139
Recognized in other comprehensive income	於其他全面收益內確認	-	-	-	-	-	(52)	-	-	-	-	-	-	(52)
Exchange adjustment	匯兌調整	(104)	-	(193)	(53)	(71)	(18)	96	(98)	1	280	290	604	734
At December 31, 2022 and January 1, 2023	於2022年12月31日及2023年1月1日	4,415	22,959	1,461	557	733	127	(1,507)	1,539	595	(5,305)	(516)	(6,436)	18,622
Recognized in profit or loss	於損益內確認	7,597	2,224	7,169	(13)	(85)	-	1,151	(1,166)	(18)	(2,665)	451	1,073	15,718
Recognized in other comprehensive income	於其他全面收益內確認	-	-	-	-	-	5	-	-	-	-	-	-	5
Exchange adjustment	匯兌調整	24	(3)	70	(10)	(12)	(6)	28	(29)	(1)	220	10	27	318
At December 31, 2023	於2023年12月31日	12,036	25,180	8,700	534	636	126	(328)	344	576	(7,750)	(55)	(5,336)	34,663

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27 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

27 綜合財務狀況表中的所得稅(續)

(b) Deferred tax assets and liabilities recognized represents: (continued)

(b) 已確認的遞延稅項資產及負債指：(續)

(ii) Reconciliation to the consolidated statements of financial position:

(ii) 與綜合財務狀況表的對賬：

		As at December 31, 於12月31日	
		2023	2022
		2023年	2022年
		USD' 000	USD'000
		千美元	千美元
Net deferred tax assets recognized in the consolidated statements of financial position	於綜合財務狀況表內確認的遞延稅項資產淨值	47,804	30,879
Net deferred tax liabilities recognized in the consolidated statements of financial position	於綜合財務狀況表內確認的遞延稅項負債淨額	(13,141)	(12,257)
		34,663	18,622

(c) Deferred tax assets not recognized

In accordance with the accounting policy set out in Note 2(t), the Group did not recognize deferred tax assets of USD8,972,000 as at December 31, 2023 (2022: USD8,681,000), in respect of cumulative tax losses USD36,746,000 as at December 31, 2023 (2022: USD38,524,000). It was not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entities.

(c) 尚未確認的遞延稅項資產

根據附註2(t)所載的會計政策，本集團並無就於2023年12月31日的累計稅項虧損36,746,000美元(2022年：38,524,000美元)確認於2023年12月31日的遞延稅項資產8,972,000美元(2022年：8,681,000美元)。於相關稅務司法管轄區及實體將有未來應課稅利潤可以抵銷有關虧損的可能性不大。

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27 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

(d) Deferred tax liabilities not recognized

At December 31, 2023, the Group did not recognize deferred tax liabilities of USD16,309,000 (2022: USD14,653,000), in respect of distributable profits of the Group's subsidiaries amounted to USD147,544,000 (2022: USD111,994,000), respectively. As the Group controls the timing of the reversal of temporary differences associated with undistributed profits of its subsidiaries and it has been determined that it is probable that certain portion of the undistributed profits earned by the Group's subsidiaries will not be distributed in the foreseeable future, therefore no deferred tax liabilities arisen from above mentioned undistributed profits not probable to be distributed in the foreseeable future was recognized as at December 31, 2023.

27 綜合財務狀況表中的所得稅(續)

(d) 尚未確認的遞延稅項負債

於2023年12月31日，本集團並無就本集團附屬公司的可分派利潤147,544,000美元(2022年：111,994,000美元)確認遞延稅項負債16,309,000美元(2022年：14,653,000美元)。由於本集團控制與該等附屬公司的未分派利潤有關的暫時差額撥回的時間，且其已被釐定於可預見未來不大可能分派本集團附屬公司所賺取的未分派利潤的若干部分，因此，於2023年12月31日，概無確認上述不大可能於可預見未來分派的未分派利潤產生的遞延稅項負債。

28 WARRANTY PROVISION

28 保修撥備

		Total 總計 USD'000 千美元
At January 1, 2022	於2022年1月1日	51,946
Provision in the year	年度撥備	35,753
Utilization of provision	動用撥備	(30,545)
Exchange adjustment	匯兌調整	(65)
At December 31, 2022 and January 1, 2023	於2022年12月31日及2023年1月1日	57,089
Provision in the year	年度撥備	57,273
Utilization of provision	動用撥備	(44,729)
Exchange adjustment	匯兌調整	44
At December 31, 2023	於2023年12月31日	69,677

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28 WARRANTY PROVISION (CONTINUED)

Reconciliation to the consolidated statements of financial position:

		As at December 31, 於12月31日	
		2023	2022
		2023年	2022年
		USD'000	USD'000
		千美元	千美元
Warranty provision – current	保修撥備 – 即期	49,617	19,030
Warranty provision – non-current	保修撥備 – 非即期	20,060	38,059
		69,677	57,089

Under the terms of the Group's sales agreements, the Group will rectify any product defects arising within two or three years of the date of sale. The warranty provision represents management's best estimate of the Group's service commitments arising from products sold, based on past claims.

根據本集團的銷售協議條款，本集團將糾正銷售日期後兩或三年內產生的任何產品缺陷。保修撥備指管理層基於過往索賠對本集團已售產品產生的服務承擔而作出的最佳估計。

29 REFUND LIABILITIES FROM RIGHT OF RETURN

29 退回權利的退款負債

		Total
		總計
		USD'000
		千美元
At January 1, 2022	於2022年1月1日	4,252
Provision in the year	年度撥備	23,809
Utilization of provision	動用撥備	(21,629)
At December 31, 2022 and January 1, 2023	於2022年12月31日及2023年1月1日	6,432
Provision in the year	年度撥備	52,246
Utilization of provision	動用撥備	(22,574)
At December 31, 2023	於2023年12月31日	36,104

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29 REFUND LIABILITIES FROM RIGHT OF RETURN (CONTINUED)

Under the terms of the Group's sales agreements, the Group will rectify any product return arising within six months of the date of sale. The refund liabilities represent management's best estimate of the Group's service commitments arising from products sold, based on past experiences.

30 DEFERRED INCOME

As at December 31, 2023, deferred income represented unamortized conditional government grants amounting to USD3,558,000 (2022: USD3,709,000), for land levelling compensation.

31 POST-EMPLOYMENT BENEFITS

(a) Defined benefit retirement plans obligation

The Group has defined benefit retirement plans ("Plans") for its employees in the German subsidiaries.

The Group provides pension benefits for those employees who retire in the form of life-long annuities. These are in-line with usual German market practice and do not constitute any unusual or company-specific risks or require any specific regulatory framework to be taken into account. The costs of the Plans are solely funded by the Group.

The Group engaged an independent actuarial firm, Kern Mauch & Kollegen GmbH, to assist management to perform the actuarial valuations. The actuarial valuations of the defined benefit retirement obligation were performed in accordance with HKAS 19 "Employee Benefits" by actuaries using the projected unit credit method.

29 退回權利的退款負債(續)

根據本集團的銷售協議條款，本集團將糾正銷售日期後六個月內產生的任何產品缺陷。退款負債指管理層基於過往經驗對本集團因已售產品產生的服務承擔而作出的最佳估計。

30 遞延收益

於2023年12月31日，遞延收益指有關土地平整補償的未攤銷有條件政府補助3,558,000美元(2022年：3,709,000美元)。

31 離職後福利

(a) 界定福利退休計劃義務

本集團就其於德國附屬公司的僱員制定界定福利退休計劃(「計劃」)。

本集團以終生年金的形式為退休僱員提供退休金福利。此與一般的德國市場做法一致，且不構成任何異常或公司特定風險或要求考慮任何特定的監管框架。計劃成本完全由本集團撥付。

本集團已委聘獨立精算公司Kern Mauch & Kollegen GmbH協助管理層進行精算估值。界定福利退休義務的精算估值由精算師採用預測單位信貸法根據香港會計準則第19號「僱員福利」執行。

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綜合財務報表附註

(Expressed in US dollar ("USD") unless otherwise indicated)
(以美元「美元」列示，除非另有指明)

31 POST-EMPLOYMENT BENEFITS 31 離職後福利(續) (CONTINUED)

(a) Defined benefit retirement plans obligation (a) 界定福利退休計劃義務(續) (continued)

(i) The amounts recognized in the consolidated statement of financial position are as follows:

(i) 於綜合財務狀況表中確認的金額如下：

		As at December 31, 於12月31日	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Present value of defined benefit retirement plans obligation	界定福利退休計劃義務的現值	434	473

(ii) Movements in the present value of the defined benefit retirement plans obligation:

(ii) 界定福利退休計劃義務的現值變動：

		As at December 31, 於12月31日	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
At the beginning of the year	於年初	473	771
Remeasurements effect recognized in other comprehensive income	於其他全面收益內確認的重新計量影響		
– Actuarial gain	– 精算收益	(21)	(193)
– Exchange adjustment	– 匯兌調整	18	(49)
		470	529
Benefits paid by the plans	計劃支付的福利	(54)	(62)
Current service cost	即期服務成本	1	1
Interest cost	利息成本	17	5
At the end of the year	於年末	434	473

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in US dollar ("USD") unless otherwise indicated)
(以美元「美元」列示，除非另有指明)

31 POST-EMPLOYMENT BENEFITS 31 離職後福利(續) (CONTINUED)

(a) Defined benefit retirement plans obligation (a) 界定福利退休計劃義務(續) (continued)

(iii) Amounts recognized in the consolidated statement of profit or loss and other comprehensive income are as follows:

(iii) 於綜合損益及其他全面收益表中確認的金額如下：

		As at December 31, 於12月31日	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Current service cost	即期服務成本	1	1
Interest on defined benefit retirement plans obligation	界定福利退休計劃義務利息	17	5
Total amounts recognized in profit or loss (Note 6(b))		18	6
Actuarial gain	精算收益	(21)	(193)
Exchange adjustment	匯兌調整	18	(28)
Total amounts recognized in other comprehensive income		(3)	(221)
Total defined benefit costs		15	(215)

(iv) The current service cost and the interest on defined retirement obligation are recognized in the following line items in the consolidated statement of profit or loss:

(iv) 即期服務成本及界定退休義務利息於綜合損益表的下列項目中確認：

		As at December 31, 於12月31日	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Cost of sales	銷售成本	18	6

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31 POST-EMPLOYMENT BENEFITS (CONTINUED)

31 離職後福利(續)

(a) Defined benefit retirement plans obligation (continued)

(a) 界定福利退休計劃義務(續)

(v) Significant actuarial assumptions (expressed as weighted averages) and sensitivity analysis are as follows:

(v) 重大的精算假設(以加權平均數表示)及敏感度分析如下：

		As at December 31, 於12月31日	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Discount rate	貼現率	3.10%	3.67%
Rate of pension increase	退休金增加率	1%	1%
Retirement age	退休年齡	age 65	age 65
Staff turnover	員工流失率	0.00%	0.00%

The below analysis shows how the defined benefit obligation would have increased/(decreased) as a result of 0.20% increase/(decrease) in the discount rate:

下列分析顯示了界定福利義務將如何因貼現率增加/(減少)0.20%而增加/(減少)：

		As at December 31, 於12月31日			
		2023 2023年		2022 2022年	
		Increase in 0.20% 增加0.20% USD'000 千美元	Decrease in 0.20% 減少0.20% USD'000 千美元	Increase in 0.20% 增加0.20% USD'000 千美元	Decrease in 0.20% 減少0.20% USD'000 千美元
Discount rate	貼現率	(6)	6	(6)	6

The above sensitivity analysis is based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions.

上文敏感度分析乃假設精算假設變動無相關性及因此未計及精算假設之間的相關性。

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31 POST-EMPLOYMENT BENEFITS 31 離職後福利(續) (CONTINUED)

(b) Defined contribution retirement plans

Pursuant to the relevant labor rules and regulations in the PRC, the PRC subsidiaries of the Group participate in defined contribution retirement plans (the "Schemes") organized by the local authorities whereby the entities are required to make contributions to the Schemes based on a percentage of the eligible employees' salaries during the years ended December 31, 2022 and 2023. Contributions to the Schemes vest immediately. Under the Schemes, retirement benefits of existing and retired employees are payable by the relevant scheme administrators and the Group has no further obligations beyond the annual contributions. There is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

The Group's subsidiaries in jurisdictions other than the PRC, make contributions to local retirement schemes pursuant to the relevant labor rules and regulations in the jurisdiction in which such subsidiary located.

(b) 界定供款退休計劃

根據中國的相關勞動法規及條例，本集團的中國附屬公司參與地方機關組織的界定供款退休計劃（「計劃」），據此，截至2022年及2023年12月31日止年度，有關實體須基於合資格僱員薪金的某一個百分比向計劃作出供款。對計劃作出的供款即時歸屬。根據計劃，相關計劃管理人應支付現有及已退休僱員的退休福利，除年度供款外，本集團並無任何進一步責任。本集團並無可用以減低現有供款水平的沒收供款。

本集團於中國以外司法管轄區的附屬公司根據該附屬公司所在司法管轄區的相關勞動法規及條例向當地退休計劃作出供款。

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32 CAPITAL, RESERVES AND DIVIDENDS

(a) Movement in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

32 資本、儲備及股息

(a) 股權組成部分的變動

本集團綜合權益的各組成部分的期初結餘與期末結餘之間的對賬載於綜合權益變動表。本公司的個別權益組成部分於年初與年末之間的變動詳情載列如下：

		Reserves				Total
		儲備			Total	
		Share capital	Other reserve	Retained profits		
		股本	其他儲備	保留利潤	總計	
	附註 Note	USD' 000 千美元	USD' 000 千美元	USD' 000 千美元	USD' 000 千美元	
At January 1, 2022	於2022年1月1日	444,621	21,077	131,749	597,447	
Changes in equity for 2022	2022年的權益變動					
Profit and total comprehensive income for the year	年內利潤及全面收益總額	-	-	68,434	68,434	
Appropriation of dividends	撥付股息	32(b)	-	(35,051)	(35,051)	
Issuance of ordinary shares, net of issuance costs	發行普通股(扣除發行成本)	32(c)	58,033	-	58,033	
Balance at December 31, 2022 and January 1, 2023	於2022年12月31日及2023年1月1日的結餘	502,654	21,077	165,132	688,863	
Changes in equity for 2023	2023年的權益變動					
Profit and total comprehensive income for the year	年內利潤及全面收益總額	-	-	58,295	58,295	
Appropriation of dividends	撥付股息	32(b)	-	(36,691)	(36,691)	
Issuance of ordinary shares, net of issuance costs	發行普通股(扣除發行成本)	32(c)	99,205	-	99,205	
Balance at December 31, 2023	於2023年12月31日的結餘	601,859	21,077	186,736	809,672	

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綜合財務報表附註

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32 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED) 32 資本、儲備及股息(續)

(b) Dividends

(i) Dividends payable to equity shareholders of the company attributable to the year

(b) 股息

(i) 本年度應付本公司權益股東的股息

	2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Dividends proposed after the end of the reporting period of US\$0.0354 per ordinary share (equivalent to HK\$0.2764 per ordinary share) (2022: US\$0.0718 per ordinary share (equivalent to HK\$0.5600 per ordinary share))	18,091	36,691

The Board has recommended the payment of a special dividend of US\$0.0354 per ordinary share (equivalent to HK\$0.2764 per ordinary share) (2022: nil) for the year ended December 31, 2023. No final dividend was recommended by the Board for the year ended December 31, 2023 (2022: US\$0.0718 per ordinary share (equivalent to HK\$0.5600 per ordinary share)).

董事會已建議就截至2023年12月31日止年度派付每股普通股0.0354美元(相當於每股普通股0.2764港元)之特別股息(2022年：零)。董事會不建議就截至2023年12月31日止年度派付末期股息(2022年：每股普通股0.0718美元(相當於每股普通股0.5600港元))。

(ii) Dividends payable to equity shareholders of the company attributable to the previous financial year, approved and paid during the year

(ii) 本年內已批准及派付於過往財政年度應付本公司權益股東的股息

	Year ended December 31, 截至12月31日止年度	
	2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Dividends in respect of previous financial years declared and approved	36,691	35,051

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32 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED) 32 資本、儲備及股息(續)

(c) Share capital

(c) 股本

	<i>Note</i> 附註	Number of Shares 股份數目	HKD '000 千港元	USD '000 千美元
Ordinary shares, issued and fully paid:				
At January 1, 2022		479,431,411	3,465,871	444,621
Issuance of ordinary shares by public offering pursuant to the over-allotment option, net of issuance costs	(i)	10,787,400	452,656	58,033
At December 31, 2022		490,218,811	3,918,527	502,654
Issuance of ordinary shares, net of issuance costs	(ii)	20,835,000	773,800	99,205
At December 31, 2023		511,053,811	4,692,327	601,859

Notes:

附註：

- (i) On January 26, 2022, the Company issued and allotted additional 10,787,400 shares at an offering price of HKD43.60 per share by way of public offering pursuant to the over-allotment option. Net proceeds from these issues amounted to HKD452,656,320 (USD58,032,862 equivalent) (after offsetting costs directly attributable to the issue of shares of HKD17,674,320 (USD2,265,938 equivalent), which were recorded in share capital).
- (ii) On January 19, 2023, the Company issued and allotted additional 20,835,000 shares at an offering price of HKD37.50 per share by way of public offering pursuant to the over-allotment option. Net proceeds from these issues amounted to HKD773,800,092 (USD99,205,140 equivalent) (after offsetting costs directly attributable to the issue of shares of HKD7,512,408 (USD963,129 equivalent), which were recorded in share capital).
- (i) 於2022年1月26日，本公司根據超額配股權以公開發售方式按發售價每股43.60港元發行及配發額外10,787,400股股份。該等發行的所得款項淨額為452,656,320港元（相當於58,032,862美元）（經抵銷發行股份直接應佔成本17,674,320港元（相當於2,265,938美元）後，已計入股本）。
- (ii) 於2023年1月19日，本公司根據超額配股權以公開發售方式按發售價每股37.50港元發行及配發額外20,835,000股股份。該等發行的所得款項淨額為773,800,092港元（相當於99,205,140美元）（經抵銷發行股份直接應佔成本7,512,408港元（相當於963,129美元）後，已計入股本）。

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32 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Share capital (continued)

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(d) Nature and purpose of reserves

(i) Other reserve

Other reserve primarily represented the portion of the grant date fair value of shares granted by the Share Incentive Scheme to the directors and employees of the Group.

(ii) PRC statutory reserve

Statutory reserve is established in accordance with the relevant PRC rules and regulations and the articles of association of the companies comprising the Group which are incorporated in the PRC.

In accordance with the PRC Company Law, certain subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory reserves until the reserves reach 50% of their respective registered capital. For the entity concerned, statutory reserves can be used to make good previous years' losses, if any, and may be converted into capital in proportion to the existing equity interests of investors, provided that the balance of the reserve after such conversion is not less than 25% of the entity's registered capital.

32 資本、儲備及股息(續)

(c) 股本(續)

根據香港公司條例第135條，本公司普通股並無面值。

普通股持有人有權領取不時宣派的股息且於本公司會議上就每股股份享有一票投票權。就本公司的剩餘資產而言，所有普通股享有同等地位。

(d) 儲備性質及目的

(i) 其他儲備

其他儲備主要指由股權激勵計劃授予本集團董事及僱員的股份的授出日期公允價值部分。

(ii) 中國法定儲備

法定儲備按照相關中國規則和規例以及在中國註冊成立的本集團旗下各公司的組織章程細則計提。

根據中國公司法，屬國內企業的本集團旗下若干附屬公司須分配其除稅後利潤的10%（按相關中國會計準則釐定）至其各自的法定儲備，直至儲備達到其各自註冊資本的50%。對於有關實體而言，法定儲備可用於彌補過往年度的虧損（如有），並且可按投資者現有股本權益的比例轉為資本，惟儲備結餘在轉換後不少於該實體註冊資本的25%。

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32 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(d) Nature and purpose of reserves (continued)

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations with functional currency other than USD. The reserve is dealt with in accordance with the accounting policy as set out in Note 2(x).

(e) Capital 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 and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintaining a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of a net gearing ratio. For this purpose, the Group defines net debt as total current and non-current bank loans and lease liabilities less cash and cash equivalents and pledged deposits. The Group defines capital as including all components of equity.

32 資本、儲備及股息(續)

(d) 儲備性質及目的(續)

(iii) 匯兌儲備

匯兌儲備包括換算功能貨幣並非美元的經營財務報表引起的所有外匯差額。該儲備乃根據附註2(x)所載的會計政策處理。

(e) 資本管理

本集團管理資本的首要目標乃保障本集團能夠持續經營，以便透過對與風險水平相應的產品及服務定價以及獲得合理成本的融資，繼續為股東創造回報及為其他持份者帶來利益。

本集團定期積極對資本架構進行檢討及管理，以在較高股東回報情況下可能伴隨的較高借貸水平與良好資本狀況帶來的好處及保障之間取得平衡，並根據經濟狀況的變化對資本架構作出調整。

本集團利用淨資本負債比率監察其資本架構。就此而言，本集團將淨負債界定為流動及非流動銀行貸款及租賃負債總額減現金及現金等價物及已抵押存款。本集團將資本界定為包括所有權益組成部分。

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32 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED) 32 資本、儲備及股息(續)

(e) Capital management (continued)

The Group's net debt to capital ratio are as follows:

(e) 資本管理(續)

本集團的淨債務資本比率如下：

		As at December 31, 於12月31日	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Current liabilities:	流動負債：		
– Bank loans	– 銀行貸款	198,185	192,904
– Lease liabilities	– 租賃負債	2,690	7,583
		200,875	200,487
Non-current liabilities:	非流動負債：		
– Bank loans	– 銀行貸款	125,455	136,589
– Lease liabilities	– 租賃負債	9,691	14,460
		135,146	151,049
Less: Cash and cash equivalents	減：現金及現金等價物	(296,337)	(466,713)
Pledged deposits	抵押存款	(18,244)	(36,495)
Adjusted net debt (Note)	經調整淨債務(附註)	21,440	–
Total equity	權益總額	960,621	946,099
Net debt to capital ratio	淨債務資本比率	2%	0%

Note:

Net debt to capital ratio is zero when the amount of cash and cash equivalent and pledged deposits of the Group is higher than gross debt.

附註：

當本集團的現金及現金等價物及抵押存款的金額超過債務總額時，淨債務資本比率為零。

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(Expressed in US dollar ("USD") unless otherwise indicated)
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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and financial risk management policies and practices used by the Group to manage these risks are described below:

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents, pledged deposits and bills receivable is limited because the counterparties are reputable financial institutions with high credit standing, for which the Group considers to have low credit risk.

Except for the financial guarantees given by the Group as set out in Note 35 the Group does not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of the reporting period is disclosed in Note 35.

Trade receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 to 180 days from the date of billing. Normally, the Group does not obtain collateral from customers.

33 財務風險管理及金融工具的公允價值

本集團業務面臨正常業務過程中產生的信貸、流動性、利率及貨幣風險。

本集團面臨的該等風險及本集團為管理該等風險而採用的財務風險管理政策及慣例描述如下：

(a) 信貸風險

信貸風險指對手方將違反合約義務而導致本集團產生財務虧損的風險。本集團信貸風險主要歸因於貿易及其他應收款項。本集團面對來自現金及現金等價物、已抵押存款及應收票據的信貸風險有限，原因是對手方為信譽狀況良好的知名金融機構，本集團認為其信貸風險較低。

除附註35所載由本集團提供的財務擔保外，本集團並無任何其他將令本集團承受信貸風險的擔保。於報告期末有關該等財務擔保的最高信貸風險敞口乃披露於附註35。

貿易應收款項

本集團已制定信貸風險管理政策，據此對所有需要超過一定金額的信貸的客戶均須進行個別信貸評估。該等評估集中於客戶過往到期作出付款的記錄及目前的支付能力，並計及客戶的特定資料以及有關客戶經營所在經濟環境的資料。貿易應收款項自賬單日期起計30至180日內到期。正常情況下，本集團不會收取客戶的抵押品。

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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (continued)

Trade receivables (continued)

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at December 31, 2023, 57% (2022: 32%) of the total trade receivables was due from the Group's largest customer and 81% (2022: 68%) was due from the Group's five largest customers respectively.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. The Group segments its trade receivables based on geographic regions, due to different loss patterns experienced in the different regions.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

33 財務風險管理及金融工具的公允價值 (續)

(a) 信貸風險 (續)

貿易應收款項 (續)

本集團於客戶營運所屬的行業或所在的國家並無重大信貸集中風險。重大信貸集中風險主要由於本集團與個別客戶往來時須承受重大風險所致。於2023年12月31日，貿易應收款項總額中有57% (2022年：32%) 應收自本集團的最大客戶，且分別有81% (2022年：68%) 應收自本集團的五名最大客戶。

本集團按相等於全期預期信貸虧損的金額計量貿易應收款項虧損撥備，有關金額乃使用撥備矩陣計算得出。由於不同地區的虧損模式不同，本集團根據地區劃分其貿易應收款項。

下表提供了本集團所面臨的貿易應收款項信貸風險及預期信貸虧損的資料：

		At December 31, 2023 於2023年12月31日		
		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總額 USD' 000 千美元	Loss allowance 虧損撥備 USD' 000 千美元
North Americans	北美			
Current (not past due)	即期 (未逾期)	0.01%	268,616	(37)
Less than 30 days past due	逾期30天以下	0.25%	7,985	(20)
More than 31 days but less than 60 days past due	逾期超過31天但少於60天	1.29%	787	(10)
More than 61 days but less than 90 days past due	逾期超過61天但少於90天	1.32%	1,524	(20)
More than 90 days past due	逾期90天以上	3.28%	2,750	(90)
			281,662	(177)

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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

33 財務風險管理及金融工具的公允價值 (續)

(a) Credit risk (continued)

(a) 信貸風險 (續)

Trade receivables (continued)

貿易應收款項 (續)

At December 31, 2023

於2023年12月31日

		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總額 USD' 000 千美元	Loss allowance 虧損撥備 USD' 000 千美元
Europe	歐洲			
Current (not past due)	即期 (未逾期)	0.00%	36,647	(1)
Less than 30 days past due	逾期30天以下	0.03%	1,500	–
More than 31 days but less than 60 days past due	逾期超過31天 但少於60天	0.00%	–	–
More than 61 days but less than 90 days past due	逾期超過61天 但少於90天	0.15%	1,927	(3)
More than 90 days past due	逾期90天以上	20.20%	278	(56)
			40,352	(60)

At December 31, 2023

於2023年12月31日

		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總額 USD' 000 千美元	Loss allowance 虧損撥備 USD' 000 千美元
Rest of the world	世界其他地區			
Current (not past due)	即期 (未逾期)	0.06%	25,606	(15)
Less than 30 days past due	逾期30天以下	0.77%	1,014	(8)
More than 31 days but less than 60 days past due	逾期超過31天 但少於60天	1.76%	1,038	(18)
More than 61 days but less than 90 days past due	逾期超過61天 但少於90天	2.31%	424	(10)
More than 90 days past due	逾期90天以上	30.07%	2,602	(782)
			30,684	(833)

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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

33 財務風險管理及金融工具的公允價值 (續)

(a) Credit risk (continued)

(a) 信貸風險 (續)

Trade receivables (continued)

貿易應收款項 (續)

At December 31, 2022

於2022年12月31日

		Expected loss rate	Gross carrying amount	Loss allowance
		預期虧損率	賬面總額	虧損撥備
		%	USD'000	USD'000
		%	千美元	千美元
North Americans	北美			
Current (not past due)	即期 (未逾期)	0.12%	105,108	(129)
Less than 30 days past due	逾期30天以下	1.49%	6,243	(93)
More than 31 days but less than 60 days past due	逾期超過31天但少於60天	5.81%	775	(45)
More than 61 days but less than 90 days past due	逾期超過61天但少於90天	9.12%	817	(75)
More than 90 days past due	逾期90天以上	27.32%	1,243	(340)
			114,186	(682)

At December 31, 2022

於2022年12月31日

		Expected loss rate	Gross carrying amount	Loss allowance
		預期虧損率	賬面總額	虧損撥備
		%	USD'000	USD'000
		%	千美元	千美元
Europe	歐洲			
Current (not past due)	即期 (未逾期)	0.00%	27,264	—
Less than 30 days past due	逾期30天以下	0.03%	705	—
More than 31 days but less than 60 days past due	逾期超過31天但少於60天	0.11%	114	—
More than 61 days but less than 90 days past due	逾期超過61天但少於90天	2.56%	39	(1)
More than 90 days past due	逾期90天以上	44.20%	152	(67)
			28,274	(68)

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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

33 財務風險管理及金融工具的公允價值 (續)

(a) Credit risk (continued)

(a) 信貸風險 (續)

Trade receivables (continued)

貿易應收款項 (續)

At December 31, 2022

於2022年12月31日

		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總額 USD'000 千美元	Loss allowance 虧損撥備 USD'000 千美元
Rest of the world	世界其他地區			
Current (not past due)	即期 (未逾期)	0.07%	20,944	(15)
Less than 30 days past due	逾期30天以下	0.11%	477	(1)
More than 31 days but less than 60 days past due	逾期超過31天但少於60天	0.22%	952	(2)
More than 61 days but less than 90 days past due	逾期超過61天但少於90天	0.24%	1,216	(3)
More than 90 days past due	逾期90天以上	20.33%	3,438	(699)
			27,027	(720)

Expected loss rates are based on actual loss experience over the past years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

預期虧損率基於過往年度的實際虧損經驗得出。該等比率會作出調整以反映歸集歷史數據期間的經濟狀況、當前狀況與本集團對應收款項預期年期內經濟狀況的觀點的差異。

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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (continued)

Trade receivables (continued)

Movement in the loss allowance in respect of trade receivables is as follows:

33 財務風險管理及金融工具的公允價值 (續)

(a) 信貸風險 (續)

貿易應收款項 (續)

有關貿易應收款項的虧損撥備變動如下：

		North Americans 北美 USD' 000 千美元	Europe 歐洲 USD' 000 千美元	China 中國 USD' 000 千美元	Total 總計 USD' 000 千美元
Balance at 1 January 2022	於2022年1月1日的結餘	667	281	1,278	2,226
Impairment loss recognized	已確認減值虧損	418	-	983	1,401
Amounts written off during the year	年度抵銷的金額	(403)	(212)	(1,544)	(2,159)
Exchange adjustment	匯兌調整	-	(1)	3	2
Balance at 31 December 2022	於2022年12月31日的結餘	682	68	720	1,470
Balance at 1 January 2023	於2023年1月1日的結餘	682	68	720	1,470
Impairment loss recognized	已確認減值虧損	1,641	-	(469)	1,172
Amounts written off during the year	年度抵銷的金額	(2,146)	(14)	542	(1,618)
Exchange adjustment	匯兌調整	-	6	40	46
Balance at 31 December 2023	於2023年12月31日的結餘	177	60	833	1,070

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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (continued)

Trade receivables (continued)

The following significant changes in the gross carrying amounts of trade receivables contributed to the change in the loss:

- origination of new trade receivables net of those settled resulted in an increase of USD492,000 (2022: an increase of USD842,000).
- increase in days past due over 30 days resulted in an increase in loss allowance of USD680,000 (2022: an increase of USD559,000).
- a write-off of trade receivables resulted in a decrease in loss allowance of USD1,618,000 (2022: USD2,159,000).

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

33 財務風險管理及金融工具的公允價值 (續)

(a) 信貸風險 (續)

貿易應收款項 (續)

貿易應收款項賬面總額的下列重大變動導致虧損撥備變動：

- 產生新貿易應收款項(扣除已結算者)導致增加492,000美元(2022年：增加842,000美元)。
- 逾期超過30天的天數增加導致虧損撥備增加680,000美元(2022年：增加559,000美元)
- 貿易應收款項核銷導致虧損撥備減少1,618,000美元(2022年：2,159,000美元)

(b) 流動性風險

本集團旗下個別經營實體負責各自現金管理，包括現金盈餘短期投資及為滿足預期現金要求而籌集貸款，惟借款超出一定授權預定水平後須取得母公司董事會批准。本集團的政策為定期監察其流動資金需求及其遵守借貸契諾的情況，以確保維持充足的現金儲備及來自主要金融機構的足夠承諾額度以滿足其短期及長期的流動資金需求。

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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk (continued)

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

33 財務風險管理及金融工具的公允價值 (續)

(b) 流動性風險 (續)

下表載列本集團金融負債的餘下合約到期情況，其乃基於合約未貼現現金流量（包括按合約利率計算或如按浮動利率計算，則採用報告日期的當時利率計算的利息付款）及本集團須付款的最早日期：

		At December 31, 2023 於2023年12月31日					Carrying amount at December 31, 2023 於2023年12月31日的賬面值
		Within 1 year or on demand 1年內或按 要求 USD' 000 千美元	More than 1 year but less than 2 years 超過1年但少於2年 USD' 000 千美元	More than 2 years but less than 5 years 超過2年但少於5年 USD' 000 千美元	More than 5 years 超過5年 USD' 000 千美元	Total 總計 USD' 000 千美元	
Bank loans	銀行貸款	206,541	117,033	10,743	-	334,317	323,640
Lease liabilities	租賃負債	3,043	3,740	4,533	2,298	13,614	12,381
Trade and bills payables	貿易應付款項及應付票據	224,954	-	-	-	224,954	224,954
Other payables and accruals	其他應付款項及應計費用	142,507	-	-	-	142,507	142,507
Refund liabilities from right of return	退回權利的退款負債	36,104	-	-	-	36,104	36,104
		613,149	120,773	15,276	2,298	751,496	739,586
Financial guarantees issued:	已出具財務擔保：						
Maximum amount guaranteed (Note 35)	最高擔保金額 (附註35)	21,884	-	-	-	21,884	21,884
Derivatives settled gross:	衍生工具償還總額：						
Foreign currency forward and option contracts (Note 18)	外幣遠期及期權合約 (附註18)						
- outflow	- 流出	(396,875)	-	-	-	(396,875)	-
- inflow	- 流入	397,093	-	-	-	397,093	-

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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

33 財務風險管理及金融工具的公允價值 (續)

(b) Liquidity risk (continued)

(b) 流動性風險 (續)

		At December 31, 2022 於2022年12月31日				Carrying amount at December 31, 2022 於2022年 12月31日的 賬面值	
		Within 1 year or on demand 1年內 或按要 求	More than 1 year but less than 2 years 超過1年 但少於2年	More than 2 years but less than 5 years 超過2年 但少於5年	More than 5 years 超過5年	Total 總計	
		USD'000 千美元	USD'000 千美元	USD'000 千美元	USD'000 千美元	USD'000 千美元	USD'000 千美元
Bank loans	銀行貸款	201,323	106,287	33,854	1,103	342,567	329,493
Lease liabilities	租賃負債	8,187	4,147	6,535	3,745	22,614	22,043
Trade and bills payables	貿易應付款項及應付票據	294,452	-	-	-	294,452	294,452
Other payables and accruals	其他應付款項及應計費用	177,166	-	-	-	177,166	177,166
Refund liabilities from right of return	退回權利的退款負債	6,432	-	-	-	6,432	6,432
		687,560	110,434	40,389	4,848	843,231	829,586
Financial guarantees issued:	已出具財務擔保：						
Maximum amount guaranteed (Note 35)	最高擔保金額(附註35)	7,897	-	-	-	7,897	7,897
Derivatives settled gross:	衍生工具償還總額：						
Foreign currency forward and option contracts (Note 18)	外幣遠期及期權合約(附註18)						
- outflow	- 流出	(223,745)	-	-	-	(223,745)	-
- inflow	- 流入	222,452	-	-	-	222,452	-

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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Interest rate risk

The Group's interest rate risk arises primarily from short-term and long-term borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profile as monitored by management is set out in (i) below:

(i) Interest rate profile

The following table details the interest rate profile of the Group's total borrowings as at the end of the reporting period:

33 財務風險管理及金融工具的公允價值 (續)

(c) 利率風險

本集團的利率風險主要來自短期及長期借款。按浮動利率及固定利率發放的借款令本集團分別面臨現金流量利率風險及公允價值利率風險。管理層監控的本集團利率概況載於下文(i)：

(i) 利率概況

下表詳述於報告期末本集團借款總額的利率概況：

		2023 2023年		2022 2022年	
		Effective Interest rate	Amount	Effective Interest rate	Amount
		實際利率	金額	實際利率	金額
		%	USD'000	%	USD'000
		%	千美元	%	千美元
Fixed rate borrowings:	固定利率借款：				
Bank loans	銀行貸款	2.500% – 3.300%	187,030	2.650% – 3.650%	192,770
Variable rate borrowings:	浮動利率借款：				
Bank loans	銀行貸款	0.700% – 5.959%	136,610	0.7000% – 5.1450%	136,724
Total borrowings	借款總額		323,640		329,494
Fixed rate borrowings as a percentage of total borrowings	固定利率借款佔借款總額的百分比		58%		59%

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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Interest rate risk (continued)

(ii) Sensitivity analysis

At December 31, 2023, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have increased/decreased the Group's loss after taxation and retained profits by approximately USD1,157,000 (2022: decreased/increased the Group's profit after taxation and retained profits by approximately USD1,156,000).

The sensitivity analysis above indicates the instantaneous change in the Group's loss after taxation (and retained profits) that would arise assuming that the change in interest rates had occurred at the end of each reporting period and had been applied to floating rate non-derivative instruments held by the Group, which expose the Group to cash flow interest rate risk. The impact on the Group's loss after taxation (and retained profits) is estimated as an annualized impact on interest expense of such a change in interest rates. Fixed rate financial instruments are excluded for the above analysis. The analysis is performed on the same basis as 2022.

(d) Currency risk

The Group is exposed to currency risk primarily through sales, purchase and borrowings which give rise to receivables, payables, cash balances and bank loans that are denominated in a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily USD and EUR.

33 財務風險管理及金融工具的公允價值 (續)

(c) 利率風險 (續)

(ii) 敏感度分析

於2023年12月31日，據估計，利率整體上升／下降100個基點，在所有其他變量保持不變的情況下，本集團的除稅後虧損及保留利潤減少／增加約1,157,000美元（2022年：本集團的除稅後利潤及保留利潤減少／增加約1,156,000美元）

上述敏感度分析顯示本集團的除稅後虧損（及保留利潤）可能產生的即時變動，當中假設利率變動已於各報告期末發生，並已用於使本集團面臨現金流量利率風險的本集團所持有浮動利率非衍生工具。本集團除稅後虧損（及保留利潤）所受影響乃按有關利率變動對年度化利息支出的影響作估計。上述分析不計及定息財務工具。有關分析按2022年的相同基準進行。

(d) 貨幣風險

本集團主要透過銷售、購買及借款面臨貨幣風險，而該等銷售、購買及借款產生以交易相關業務功能貨幣以外的貨幣計值的應收款項、應付款項、現金結餘及銀行貸款。引起該風險的貨幣主要為美元及歐元。

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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Currency risk (continued)

(i) Exposure to currency risk

The following table details the Group's exposure as at December 31, 2023 to currency risk arising from the recognized assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purpose, the amounts of exposure are shown in USD translated using the spot rate of the end of each reporting period. Differences resulting from the translation of the financial statements of the Group's subsidiaries with functional currency other than USD into the Group's presentation currency are excluded.

As the HKD is pegged to the USD, the Group considers the risk of movements in exchange rates between the HKD and the USD to be insignificant.

33 財務風險管理及金融工具的公允價值 (續)

(d) 貨幣風險 (續)

(i) 貨幣風險敞口

下表詳述本集團於2023年12月31日面臨因以與實體功能貨幣以外的貨幣計值的已確認資產或負債而引起的貨幣風險。為呈列之目的，有關敞口金額乃採用各報告期末的即期匯率換算為美元列示。以美元以外功能貨幣將本集團旗下附屬公司財務報表換算為本集團的呈列貨幣導致的差額不考慮在內。

由於港元與美元掛鈎，本集團認為港元與美元之間的匯率變動風險不大。

		As at December 31, 於12月31日	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
<i>USD</i>	美元		
Cash and cash equivalents	現金及現金等價物	5,557	16,208
Trade and bills receivables	貿易應收款項及應收票據	134,300	176,036
Trade and bills payables	貿易應付款項及應付票據	(35,179)	(49,589)
Gross exposure arising from recognized assets and liabilities	已確認資產及負債產生的敞口總額	104,678	142,655
Notional amounts of forward exchange contracts and foreign currency option contracts used as economic hedges	用作經濟對沖的遠期外匯合約及外幣期權合約的名義金額	(110,000)	(7,500)
Net exposure arising from recognized assets and liabilities	已確認資產及負債產生的敞口淨額	(5,322)	135,155

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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

33 財務風險管理及金融工具的公允價值 (續)

(d) Currency risk (continued)

(d) 貨幣風險 (續)

(i) Exposure to currency risk (continued)

(i) 貨幣風險敞口 (續)

		As at December 31, 於12月31日	
		2023 2023年 USD' 000 千美元	2022 2022年 USD' 000 千美元
<i>EUR</i>	歐元		
Cash and cash equivalents	現金及現金等價物	4,585	916
Trade and bills receivables	貿易應收款項及應收票據	86,881	75,970
Bank loans	銀行貸款	(31,070)	(13,855)
Trade and bills payables	貿易應付款項及應付票據	(10,012)	(12,113)
Gross exposure arising from recognized assets and liabilities		50,384	50,918
Notional amounts of forward exchange contracts and foreign currency option contracts used as economic hedges		(35,175)	(18,705)
Net exposure arising from recognized assets and liabilities		15,209	32,213

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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Currency risk (continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's (loss)/profit after taxation (and retained profits) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

		2023 2023年		2022 2022年	
		Increase/ (decrease) in foreign exchange rates 外匯匯率 上升/(下跌) %	Effect on loss after taxation and retained profits 對除稅後虧損及 保留利潤的影響 USD'000 千美元	Increase/ (decrease) in foreign exchange rates 外匯匯率 上升/(下跌) %	Effect on profit after taxation and retained profits 對除稅後利潤及 保留利潤的影響 USD'000 千美元
USD	美元	1% (1%)	45 (45)	1% (1%)	1,146 (1,146)
EUR	歐元	1% (1%)	(129) 129	1% (1%)	271 (271)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group subsidiaries' loss after tax and equity measured in the respective functional currencies, translated into USD at the exchange rate ruling at the end of the reporting period for presentation purpose.

33 財務風險管理及金融工具的公允價值 (續)

(d) 貨幣風險 (續)

(ii) 敏感度分析

下表顯示倘本集團於報告期末需承受重大風險的外匯匯率於該日出現變動時，本集團的除稅後（虧損）／利潤（及保留利潤）的即時變動（假設所有其他風險變量維持不變）。

上表呈列的分析結果乃本集團旗下各附屬公司的除稅後虧損及權益所受即時影響的總數（按各自的功能貨幣計量），並按報告期末的當時匯率換算為美元，以作呈列之用。

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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Currency risk (continued)

(ii) Sensitivity analysis (continued)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk as at December 31, 2023, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of entities whose functional currency is not USD. The analysis is performed on the same basis for the years ended December 31, 2023.

(e) Fair value measurement

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of each reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

33 財務風險管理及金融工具的公允價值 (續)

(d) 貨幣風險 (續)

(ii) 敏感度分析 (續)

敏感度分析假設，外匯匯率變動已適用於重新計量本集團持有的金融工具（令本集團於2023年12月31日面臨外幣風險，包括本集團內公司間以貸方或借方的功能貨幣以外的貨幣計值的應付款項及應收款項）。該分析不包括換算有關功能貨幣並非美元的實體的財務報表產生的差額。該分析乃基於截至2023年12月31日止年度的相同基準進行。

(e) 公允價值計量

公允價值層級

下表列示於各報告期末按經常基準計量本集團金融工具的公允價值，並歸入香港財務報告準則第13號公允價值計量界定的三個公允價值層級。公允價值計量分類層級乃參考估值方法中所使用輸入數據的可觀察及重要性釐定如下：

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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair value measurement (continued)

Fair value hierarchy (continued)

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available;
- Level 3 valuations: Fair value measured using significant unobservable inputs.

33 財務風險管理及金融工具的公允價值 (續)

(e) 公允價值計量 (續)

公允價值層級 (續)

- 第1級估值： 僅採用第1級輸入數據 (即相同資產或負債於計量日期在活躍市場上未經調整的報價) 計量的公允價值；
- 第2級估值： 採用第2級輸入數據 (即不滿足第1級要求的可觀察輸入數據) 及並無採用重大不可觀察輸入數據計量的公允價值。不可觀察輸入數據為無法獲得市場數據的輸入數據；
- 第3級估值： 採用重大不可觀察輸入數據計量的公允價值。

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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

33 財務風險管理及金融工具的公允價值 (續)

(e) Fair value measurement (continued)

(e) 公允價值計量 (續)

Fair value hierarchy (continued)

公允價值層級 (續)

Analysis on fair value measurement of derivative financial instruments are as follows:

衍生金融工具的公允價值計量分析如下：

		Fair value at December 31, 2023			
		Fair value measurement at December 31, 2023 categorized into	Level 1	Level 2	Level 3
		USD' 000	Level 1	Level 2	Level 3
		千美元	第1級	第2級	第3級
Recurring fair value measurement	經常性公允價值計量				
Financial assets at FVPL	以公允價值計量且其變動計入當期損益的金融資產				
– Insurance product	– 保險產品	6,393	–	–	6,393
Derivative financial instruments	衍生金融工具				
– Foreign currency forward contracts	– 外幣遠期合約	1,749	–	1,749	–
– Foreign currency option contracts	– 外幣期權合約	(1,212)	–	(1,212)	–
– Foreign exchange swap contracts	– 外匯掉期合約	(319)	–	(319)	–
Trade receivables	貿易應收款項	4,959	–	–	4,959

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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

33 財務風險管理及金融工具的公允價值 (續)

(e) Fair value measurement (continued)

(e) 公允價值計量 (續)

Fair value hierarchy (continued)

公允價值層級 (續)

		Fair value at December 31, 2022 於2022年 12月31日的 公允價值 USD'000 千美元	Fair value measurement at December 31, 2022 categorized into 於2022年12月31日的公允價值計量歸入		
			Level 1 第1級	Level 2 第2級	Level 3 第3級
Recurring fair value measurement	經常性公允價值計量				
Financial assets at FVPL	以公允價值計量且 其變動計入當期 損益的金融資產				
- Insurance product	- 保險產品	6,202	-	-	6,202
- Convertible bond	- 可換股債券	20,019	20,019	-	-
Derivative financial instruments	衍生金融工具				
- Foreign currency forward contracts	- 外幣遠期合約	(1,291)	-	(1,291)	-
- Foreign currency option contracts	- 外幣期權合約	(2)	-	(2)	-
Trade receivables	貿易應收款項	51,029	-	-	51,029

During the years ended December 31, 2023 and 2022, there were no transfers, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

截至2023年及2022年12月31日止年度，並無轉入第3級或自第3級轉出。本集團的政策為於所發生的報告期末確認公允價值層級之間的轉移。

Valuation techniques and inputs used in Level 2 fair value measurements

第2級公允價值計量中使用的估值技術及輸入數據

The fair value of forward exchange contracts in Level 2 is determined by discounting the difference between the contractual forward price and the current forward price. The discount rate used is derived from the relevant government yield curve as at the end of the reporting period plus an adequate constant credit spread.

第2級遠期外匯合約的公允價值乃通過折算合約遠期價格與目前遠期價格之間的差額釐定。所使用的貼現率乃根據報告期末的相關政府收益率曲線另加充足穩定的信用價差得出。

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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

33 財務風險管理及金融工具的公允價值 (續)

(e) Fair value measurement (continued)

(e) 公允價值計量 (續)

Fair value hierarchy (continued)

公允價值層級 (續)

The fair value of foreign exchange swaps is the estimated amount that the Group would receive or pay to transfer the swap at the end of the reporting period, taking into account current interest rates and the current creditworthiness of the swap counterparties.

外匯掉期的公允價值為本集團將於報告期末就轉讓掉期而收取或支付的估計金額，當中計及現行利率及掉期對手方目前的信譽。

Information about Level 3 fair value measurements

有關第3級公允價值計量的資料

	Valuation techniques 估值技術	Significant unobservable inputs 重大不可觀察輸入數據
Insurance product 保險產品	Cash value (Note (i)) 現金價值 (附註(i))	Expected return rate 預期回報率
Trade receivables 貿易應收款項	Discounted cash flow (Note (ii)) (Note (ii)) 貼現現金流量 (附註(ii)) (附註(ii))	Expected return rate 預期回報率

Notes:

附註：

(i) The fair value of insurance product is the cash value that can be recovered from insurance company. The fair value measurement is positively correlated to expected return rate. As at December 31, 2023, it is estimated that with all other variables held constant, an increase/decrease in fair value of insurance product by 5% would have decreased/increased the Group's loss after taxation and retained profits for the year by USD267,000 (2022: decreased/increased the Group's profit after taxation and retained profits by USD259,000).

(i) 保險產品的公允價值為可以從保險公司收回的現金價值。公允價值計量與預期回報率正相關。於2023年12月31日，估計在所有其他變量不變的情況下，保險產品的公允價值增加／減少5%，本集團的年內除稅後虧損及保留利潤將減少／增加267,000美元（2022年：本集團的除稅後利潤及保留利潤將減少／增加259,000美元）。

(ii) The fair value of trade receivables is calculated by discounting the expected future cash flows. The fair value measurement is positively correlated to expected return rate. As at December 31, 2023, it is estimated that with all other variables held constant, an decrease/increase in fair value of trade receivables by 5% would have increased/decreased the Group's loss after taxation and retained profits for the year by USD207,000 (2022: decreased/increased the Group's profit after taxation and retained profits by USD2,130,000).

(ii) 貿易應收款項的公允價值透過貼現預期未來現金流量計算得出。公允價值計量與預期回報率正相關。於2023年12月31日，估計在所有其他變量不變的情況下，貿易應收款項的公允價值減少／增加5%，本集團的年內除稅後虧損及保留利潤將增加／減少207,000美元（2022年：本集團的除稅後利潤及保留利潤將減少／增加2,130,000美元）。

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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair value measurement (continued)

Fair value hierarchy (continued)

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurement for financial assets at FVPL in Level 3 of the fair value hierarchy:

33 財務風險管理及金融工具的公允價值 (續)

(e) 公允價值計量 (續)

公允價值層級 (續)

下表顯示公允價值層級第3級中以公允價值計量且其變動計入當期損益的金融資產的公允價值計量的期初結餘與期末結餘的重新對賬：

		Financial assets at FVPL
		以公允價值計量且 其變動計入當期 損益的金融資產
		USD'000
		千美元
As at January 1, 2022	於2022年1月1日	6,011
Net realized and unrealized losses on financial assets at FVPL	以公允價值計量且其變動計入當期損益的金融資產的已變現及未變現虧損淨額	1,654
Purchases	購買	253,555
Sales and settlements	銷售及結算	(255,018)
As at December 31, 2022 and January 1, 2023	於2022年12月31日及2023年1月1日	6,202
Net realized and unrealized losses on financial assets at FVPL	以公允價值計量且其變動計入當期損益的金融資產的已變現及未變現虧損淨額	948
Purchases	購買	243,862
Sales and settlements	銷售及結算	(244,619)
As at December 31, 2023	於2023年12月31日	6,393

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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair value measurement (continued)

Fair value hierarchy (continued)

Trade receivables carried at FVOCI are not materially different from their values as at December 31, 2022 and 2023.

All financial instruments carried at cost or amortized cost are at amounts not materially different from their values as at December 31, 2022 and 2023.

34 CAPITAL COMMITMENTS

Capital commitments outstanding at December 31, 2023 not provided for in the consolidated financial statements were as follows:

33 財務風險管理及金融工具的公允價值 (續)

(e) 公允價值計量 (續)

公允價值層級 (續)

於2022年及2023年12月31日，以公允價值計量且其變動計入其他全面收益的貿易應收款項與其自身價值並無重大差異。

於2022年及2023年12月31日，按成本或攤銷成本列賬的所有金融工具的金額與其自身價值並無重大差異。

34 資本承擔

於2023年12月31日於綜合財務報表未計提撥備的未履行資本承擔如下：

		As at December 31, 於12月31日	
		2023	2022
		2023年	2022年
		USD'000	USD'000
		千美元	千美元
Contracted for	已訂約	46,511	2,017
Authorised but not contracted for	已獲授權但未訂約	20,944	426,228
		67,455	428,245
Represented by:	指：		
Construction of plant and buildings	建設廠房及樓宇	66,435	426,965
Acquisition of machinery and equipment	購置機器及設備	1,020	1,280
		67,455	428,245

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(Expressed in US dollar ("USD") unless otherwise indicated)
(以美元「美元」列示，除非另有指明)

35 CONTINGENT LIABILITIES

Guarantee to customers

Guarantees were given by certain subsidiaries in the Group to financial institutions in the PRC for certain indebtedness of independent third-party customers of the Group. The maximum exposures to the Group are limited to the facilities granted to individual customer. Details of guarantee to customers are set out below:

		2023 2023年		2022 2022年	
		Maximum guarantee amount 最高擔保金額 USD'000 千美元	Guarantee issued 已出具擔保 USD'000 千美元	Maximum guarantee amount 最高擔保金額 USD'000 千美元	Guarantee issued 已出具擔保 USD'000 千美元
Bank A	銀行A	7,765	1,961	7,897	1,304
Bank B	銀行B	14,119	6,584	–	–
		21,884	8,545	7,897	1,304

35 或有負債

向客戶提供的擔保

本集團若干附屬公司就本集團獨立第三方客戶的若干債務向中國金融機構提供擔保。本集團面臨的最大風險限於授予個別客戶的融資。向客戶提供的擔保詳情載列如下：

36 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

36 重大關聯方交易

(a) 關鍵管理人員薪酬

本集團關鍵管理人員薪酬(包括已付本公司董事的款項(有關披露見附註8)及已付若干最高薪僱員的款項(有關披露見附註9))如下：

		Year ended December 31, 截至12月31日止年度	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Short-term employee benefits	短期僱員福利	3,078	4,531
Contributions to defined contribution retirement plans	界定供款退休計劃供款	177	189
		3,255	4,720

Total remuneration is included in "staff costs" (see Note 6(b)).

薪酬總額計入「員工成本」(見附註6(b))。

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(Expressed in US dollar ("USD") unless otherwise indicated)
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36 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED) 36 重大關聯方交易(續)

(b) Names and relationships of the related parties that had other material transactions with the Group (b) 與本集團有其他重大交易的關聯方的姓名／名稱及關係

Name of related party 關聯方姓名／名稱	Relationship 關係
Mr. Pan Longquan 潘龍泉先生	Ultimate controlling shareholder of the Group 本集團的最終控股股東
Ms. Zhang Tong 張彤女士	Director of the Group 本集團董事
Mr. Ke Zuqian 柯祖謙先生	Director of the Group 本集團董事
Nanjing Chervon Auto Precision Technology Co., Ltd. 南京泉峰汽車精密技術股份有限公司	Associate of the Group 本集團的聯營公司
Nanjing Yaoquan Investment Management Co., Ltd. 南京耀泉投資管理有限公司	Controlled by directors of the Group 由本集團的董事控制
Chervon Global Holdings Limited	Controlled by the ultimate controlling shareholder of the Group
Chervon Global Holdings Limited	由本集團的最終控股股東控制

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36 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED) 36 重大關聯方交易(續)

(c) Other significant related party transactions

The Group had following transactions with related parties:

(c) 其他重大關聯方交易

本集團與關聯方進行了以下交易：

		Year ended December 31, 截至12月31日止年度	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Purchase of goods and service	購買貨品及服務		
Nanjing Chervon Auto Precision Technology Co., Ltd.	南京泉峰汽車精密技術股份有限公司	—	77
Lease payment from	以下各方的租賃付款		
Nanjing Chervon Auto Precision Technology Co., Ltd.	南京泉峰汽車精密技術股份有限公司	299	313
Nanjing Yaoquan Investment Management Co., Ltd.	南京耀泉投資管理有限公司	—	7
		299	320
Dividends received	已收股息		
Nanjing Chervon Auto Precision Technology Co., Ltd.	南京泉峰汽車精密技術股份有限公司	—	510
Payments made on behalf of related parties	代表關聯方作出的付款		
Nanjing Chervon Auto Precision Technology Co., Ltd.	南京泉峰汽車精密技術股份有限公司	1,031	1,303
Receivables made on behalf of a related party	代表關聯方作出的應收款項		
Nanjing Chervon Auto Precision Technology Co., Ltd.	南京泉峰汽車精密技術股份有限公司	270	196

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36 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

36 重大關聯方交易(續)

(d) Significant related party balances

The Group had following trade in nature balances with related parties:

(d) 重大關聯方結餘

本集團有以下性質的關聯方結餘：

		As at December 31, 於12月31日	
		2023 2023年 USD' 000 千美元	2022 2022年 USD' 000 千美元
Trade and bills payables (Note 25)	貿易應付款項及應付票據(附註25)		
Nanjing Chervon Auto Precision Technology Co., Ltd.	南京泉峰汽車精密技術股份有限公司	—	37

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

於年末或年內任何時間，本公司概無訂立與本集團業務有關而本公司董事於其中直接或間接擁有重大權益的重大交易、安排及合約。

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37 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION 37 公司層面的財務狀況表

		As at December 31, 於12月31日	
		2023 2023年 USD'000 千美元	2022 2022年 USD'000 千美元
Note	附註		
Non-current assets		非流動資產	
	Interests in subsidiaries	603,793	403,902
	Loans to subsidiaries	14,010	13,429
		617,803	417,331
Current assets		流動資產	
	Prepayments, deposits and other receivables	196,486	269,539
	Cash and cash equivalents	2,527	2,152
		199,013	271,691
Current liability		流動負債	
	Other payables and accruals	7,144	159
		7,144	159
Net current assets		流動資產淨值	
		191,869	271,532
Total assets less current liabilities		總資產減流動負債	
		809,672	688,863
NET ASSETS		資產淨值	
		809,672	688,863
CAPITAL AND RESERVES		資本及儲備	
	Share capital	601,859	502,654
	Reserves	207,813	186,209
TOTAL EQUITY		權益總額	
		809,672	688,863

Approved and authorised for issue by the board of directors on March 27, 2024.

已於2024年3月27日獲董事會批准及授權刊發。

Pan Longquan
潘龍泉

Directors
董事

Zhang Tong
張彤

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38 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On January 29, 2024, the Board proposed to adopt a share scheme under Chapter 17 of the Listing Rules (the "2024 Share Scheme"). The purposes of the 2024 Share Scheme are (1) to bind the interests of shareholders, the Company and employees to focus on the realization of the Company's strategic development objectives and to drive the performance growth; and (2) to improve our long-term incentive mechanism to attract and retain outstanding talents and to fully mobilize the senior management team and core employees. On February 20, 2024, the resolution for adopting the 2024 Share Scheme was passed in an extraordinary general meeting. During the Reporting Period and as of the date of this report, no share was granted, exercised, cancelled or lapsed under the 2024 Share Scheme. For further details regarding the 2024 Share Scheme, please refer to the Company's circular dated February 2, 2024.

After the end of the reporting period the directors proposed a special dividend. Further details are disclosed in Note 32(b).

39 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At December 31, 2023, the Directors of the Company consider the immediate parent of the Group is Panmercy Holdings Limited, a company incorporated in Hong Kong. This entity does not produce financial statements available for public use.

The ultimate controlling party of the Group is Mr. Pan Longquan, Chairman of the Group.

38 報告期後的非調整事項

於2024年1月29日，董事會建議根據上市規則第17章採納股份計劃（「2024年股份計劃」）。2024年股份計劃的目的為(1)約束股東、本公司及僱員的利益，以專注於實現本公司的戰略發展目標及推動業績增長；及(2)完善我們的長期激勵機制，以吸引及挽留優秀人才，並充分調動高級管理團隊及核心僱員的積極性。於2024年2月20日，採納2024年股份計劃的決議案已於股東特別大會上通過。於報告期間及截至本報告日期，概無股份根據2024年股份計劃獲授出、行使、註銷或失效。有關2024年股份計劃的進一步詳情，請參閱本公司於2024年2月2日刊發的通函。

報告期結束後，董事提議派發特別股息。更多詳情見附註32(b)。

39 直接及最終控股方

於2023年12月31日，本公司董事認為，本集團的直接母公司為德潤控股有限公司，該公司於香港註冊成立。該實體並無編製可供公眾使用的財務報表。

本集團的最終控制方為本集團董事長潘龍泉先生。

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40 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR YEAR ENDED DECEMBER 31, 2023

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended December 31, 2023 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

40 截至2023年12月31日止年度已頒佈但尚未生效的修訂、新準則及詮釋的可能影響

直至該等財務報表發佈日期，香港會計師公會發佈了新準則及經修訂準則，該等新準則及經修訂準則於截至2023年12月31日止年度尚未生效且並無於該等財務報表中獲採納。其包括可能與本集團相關的以下各項。

	Effective for accounting periods beginning on or after 於以下日期開始或之後的 會計期間生效
Amendments to HKAS 1, Presentation of financial statements: Classification of liabilities as current or non-current ("2020 amendments") 香港會計準則第1號之修訂，呈列財務報表：將負債分類為流動或非流動（「2020年修訂本」）	January 1, 2024 2024年1月1日
Amendments to HKAS 1, Presentation of financial statements Non-current liabilities with covenants ("2022 amendments") 香港會計準則第1號之修訂，呈列財務報表：附帶契約的非流動負債（「2022年修訂本」）	January 1, 2024 2024年1月1日
Amendments to HKFRS 16, Leases: Lease liability in a sale and leaseback 香港財務報告準則第16號之修訂，租賃：售後租回中的租賃負債	January 1, 2024 2024年1月1日
Amendments to HKAS 7, Statement of cash flows and HKFRS 7, Financial Instruments: Disclosures: Supplier finance arrangements 香港會計準則第7號之修訂，現金流量表及香港財務報告準則第7號，金融工具：披露：供應商融資安排	January 1, 2024 2024年1月1日
Amendments to HKAS 21, The effects of changes in foreign exchange rates: Lack of exchangeability 香港會計準則第21號之修訂，匯率變動的影響：缺乏可交換性	January 1, 2025 2025年1月1日

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

本集團現正在評估該等發展預期於初始應用期間的影響。至今，本集團認為採納該等修訂、準則及詮釋不大可能會對綜合財務報表造成重大影響。

