

ANNUAL REPORT

2023 年度報告



KWUNG'S

曠世控股有限公司
KWUNG'S HOLDINGS LIMITED

於開曼群島註冊成立之有限公司
Incorporated in the Cayman Islands with limited liability

股份代號 Stock Code: 1925



KWUNG'S

有生活，就有曠世香氛

CONTENTS

目錄

02	Definition 釋義
04	Corporate information 公司資料
08	Chairman's statement 主席報告書
10	Management discussion and analysis 管理層討論與分析
20	Directors and senior management 董事及高級管理層
28	Report of the directors 董事會報告
39	Corporate governance report 企業管治報告
54	Independent auditor's report 獨立核數師報告
	Consolidated financial statements 綜合財務報表
	Consolidated statement of profit or loss and other comprehensive income 綜合損益及其他全面收益表
61	
63	Consolidated statement of financial position 綜合財務狀況表
65	Consolidated statement of changes in equity 綜合權益變動表
67	Consolidated statement of cash flows 綜合現金流量表
69	Notes to the consolidated financial statements 綜合財務報表附註
168	Summary financial information 財務資料摘要

In case of any inconsistency between the English version and the Chinese version of this annual report, the English version shall prevail. And if there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC mentioned in this annual report and their English translations, the Chinese names shall prevail. The English translations of the Chinese names of such PRC entities or enterprises are provided for identification purposes only.

本年度報告中英文版如有任何歧義，概以英文版為準。倘本年度報告提述於中國成立的實體或企業的中文名稱與英文譯名有任何歧義，概以中文名稱為準。有關中國實體或企業中文名稱的英文翻譯僅供識別。

DEFINITION

釋義

In this annual report, unless the context otherwise requires, the following terms shall have the meanings set out below:

於本年報內，除文義另有所指外，下列詞彙應具有下文所載涵義：

“Articles” 「細則」	指	the second amended and restated articles of association of the Company approved and adopted on 21 June 2023, as amended, supplemented or otherwise modified from time to time 本公司於2023年6月21日批准及採納的第二份經修訂及重訂之組織章程細則(經不時修訂、補充或以其他方式修改)
“Board” 「董事會」	指	the board of Directors 董事會
“China” or “PRC” 「中國」	指	the People’s Republic of China and, except where the context requires and only for the purpose of this annual report, references to China do not include Taiwan, the Hong Kong Special Administrative Region of the People’s Republic of China or the Macao Special Administrative Region of the People’s Republic of China 中華人民共和國，倘文義另有指明者及僅就本年報而言，就中國的提述不包括台灣、中華人民共和國香港特別行政區及中華人民共和國澳門特別行政區
“Company” 「本公司」	指	Kwung’s Holdings Limited 曠世控股有限公司
“Corporate Governance Code” 「企業管治守則」	指	the corporate governance code as set out in Appendix C1 to the Listing Rules 上市規則附錄C1所載之企業管治守則
“Directors” 「董事」	指	the directors of the Company 本公司董事
“Group”, “our Group”, “we”, “us” or “our” 「本集團」或「我們」	指	the Company and its subsidiaries or, where the context so requires in respect of the period before the Company became the holding company of the present subsidiaries, the present subsidiaries of the Company and the business carried on by such subsidiaries or (as the case may be) their predecessors 本公司及其附屬公司，或倘文義另有指明者，於本公司成為其現時附屬公司的控股公司之前的期間，本公司現時附屬公司及該等附屬公司或(視情況而定)其前身公司從事的業務
“HK\$” 「港元」	指	Hong Kong dollars, the lawful currency of Hong Kong 香港法定貨幣港元
“HKICPA” 「香港會計師公會」	指	Hong Kong Institute of Certified Public Accountants 香港會計師公會
“Hong Kong” 「香港」	指	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區

DEFINITION (CONTINUED)

釋義(續)

<p>“Listing Rules” 「上市規則」</p>	<p>指</p>	<p>the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則</p>
<p>“Ningbo Fenyuan” 「寧波芬緣」</p>	<p>指</p>	<p>Ningbo Fenyuan Aromatherapy Products Co., Ltd. (寧波芬緣香薰製品有限公司), a company established in the PRC with limited liability on 7 January 2019, and an indirect wholly-owned subsidiary of the Company 寧波芬緣香薰製品有限公司，一家於2019年1月7日於中國成立的有限公司，並為本公司的間接全資附屬公司</p>
<p>“Ningbo Jingxiang” 「寧波景祥」</p>	<p>指</p>	<p>Ningbo Jingxiang Culture Development Company Limited*(寧波景祥文化發展有限公司), a company established in the PRC with limited liability and wholly owned by Mr. RU Jin (茹晉), a son of a substantial Shareholder 寧波景祥文化發展有限公司，一家於中國成立的有限公司，並由主要股東之子茹晉先生全資擁有</p>
<p>“Ningbo Kwung’s” 「寧波曠世」</p>	<p>指</p>	<p>Ningbo Kwung’s Wisdom Art & Design Co., Ltd. (寧波曠世智源工藝設計有限公司), a company established in the PRC with limited liability on 4 January 1999, and an indirect wholly-owned subsidiary of the Company 寧波曠世智源工藝設計有限公司，於1999年1月4日於中國成立的有限公司，並為本公司的間接全資附屬公司</p>
<p>“Prospectus” 「招股章程」</p>	<p>指</p>	<p>prospectus of the Company dated 30 December 2019 本公司日期為2019年12月30日的招股章程</p>
<p>“RMB” 「人民幣」</p>	<p>指</p>	<p>Renminbi Yuan, the lawful currency of the PRC 中國法定貨幣人民幣</p>
<p>“SFO” 「證券及期貨條例」</p>	<p>指</p>	<p>Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time 香港法例第571章《證券及期貨條例》，經不時修訂、補充或以其他方式修改</p>
<p>“Share(s)” 「股份」</p>	<p>指</p>	<p>ordinary shares of HK\$0.001 each in the share capital of the Company 本公司股本中每股面值0.001港元的普通股</p>
<p>“Shareholder(s)” 「股東」</p>	<p>指</p>	<p>holder(s) of the Share(s) 股份持有人</p>
<p>“Stock Exchange” 「聯交所」</p>	<p>指</p>	<p>The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司</p>
<p>“USD” 「美元」</p>	<p>指</p>	<p>United States dollars, the lawful currency of the United States of America 美元，美利堅合眾國的法定貨幣</p>

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive directors

Mr. JIN Jianxin (Chairman)
Mr. TIAN Dong

Non-executive director

Mr. SHAO Patrick

Independent non-executive director

Mr. LAI Chun Yu
Ms. XU Qiong
Mr. ZHOU Kai

COMPANY SECRETARY

Mr. LAU Chung Wai (FCPA (Practising))

AUDIT COMMITTEE

Mr. LAI Chun Yu (Chairman)
Mr. SHAO Patrick
Mr. ZHOU Kai

REMUNERATION COMMITTEE

Mr. ZHOU Kai (Chairman)
Mr. JIN Jianxin
Mr. LAI Chun Yu

NOMINATION COMMITTEE

Ms. XU Qiong (Chairlady)
Mr. JIN Jianxin
Mr. LAI Chun Yu

AUTHORISED REPRESENTATIVES

(for the purpose of the Listing Rules)
Mr. LAU Chung Wai
Mr. TIAN Dong

EXTERNAL AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22nd Floor
Prince's Building
Central, Hong Kong

董事會

執行董事

金建新先生(主席)
田東先生

非執行董事

邵平先生

獨立非執行董事

黎振宇先生
徐瓊女士
周凱先生

公司秘書

劉仲緯先生(執業資深會計師)

審核委員會

黎振宇先生(主席)
邵平先生
周凱先生

薪酬委員會

周凱先生(主席)
金建新先生
黎振宇先生

提名委員會

徐瓊女士(主席)
金建新先生
黎振宇先生

授權代表

(就上市規則而言)
劉仲緯先生
田東先生

外聘核數師

羅兵咸永道會計師事務所
執業會計師
註冊公眾利益實體核數師
香港中環
太子大廈
22樓

REGISTERED OFFICE

89 Nexus Way
Camana Bay
Grand Cayman
KY1-9009
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1102, 11th Floor
Brill Plaza, No. 84 To Kwa Wan Road
To Kwa Wan, Kowloon
Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

827 Qixiang Road
Ningbo City, Zhejiang Province
PRC

PRINCIPAL SHARE REGISTRAR

Ogier Global (Cayman) Limited
89 Nexus Way
Camana Bay
Grand Cayman
KY1-9009
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17th Floor, Far East Finance Centre
No. 16 Harcourt Road
Hong Kong

STOCK CODE

1925

WEBSITE

<http://www.kwungs.com>
(information on the website does not form part of this annual report)

註冊辦事處

89 Nexus Way
Camana Bay
Grand Cayman
KY1-9009
Cayman Islands

香港主要營業地點

香港
九龍土瓜灣
土瓜灣道84號環凱廣場
11樓1102室

中國總辦事處及主要營業地點

中國
浙江省寧波市
氣象路827號

股份過戶登記總處

Ogier Global (Cayman) Limited
89 Nexus Way
Camana Bay
Grand Cayman
KY1-9009
Cayman Islands

香港股份過戶登記處

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

股份代號

1925

網站

<http://www.kwungs.com>
(此網站內容並不構成本年報一部分)





CHAIRMAN'S STATEMENT 主席報告書



Dear Shareholders,

Greetings!

Over the past year, our company has achieved remarkable growth in performance. Our total revenue exceeded RMB 800 million, representing a year-on-year increase of 12%, while our net profit reached RMB 60.8 million, a remarkable 16% increase compared to the previous year (see page 117 of this report). In the domestic market, we also delivered an outstanding performance, with sales revenue increasing by 48% year-on-year, and our brand business achieving an impressive 60% year-on-year growth.

To meet the growing market demand, we have been actively expanding our production capacity. Our new production base in Wuhu, Anhui Province, is under construction at full speed and is expected to be officially operational soon, significantly enhancing our production capabilities and supply chain responsiveness.

各位股東：

大家好！

在剛剛過去的一年裡，我們公司實現了令人矚目的業績增長。我們的總收入突破了人民幣8億元，同比增長12%，而淨利潤更是達到了人民幣6,080萬元，同比增長16%。（詳見年報第117頁）其中國內市場也有卓越表現，銷售業績同比增長48%，品牌業務的同比增長更是高達60%。

為了滿足不斷增長的市場需求，我們積極擴大生產規模，我們位於安徽蕪湖的生產基地正在緊鑼密鼓地建設中，預計不久將正式投入運營，這將極大提升我們的生產能力和供應鏈的回應速度。

CHAIRMAN'S STATEMENT (CONTINUED)

主席報告書(續)

Since our listing, we have adhered to the corporate spirit of joint endeavor and share success. By strengthening our supply chain and market management, we have ensured ample cash flow, not only safeguarding the company's sustainable development but also enabling us to continuously reward our investors with a stable annual dividend distribution.

As fragrance products become increasingly prominent in healthy lifestyles, as a industry leader, we will fully leverage this market trend to drive the continued growth and prosperity of the company. I firmly believe that Kwung's Holdings has a promising future and is worthy of every investor's trust and support!

Chairman of the Board
JIN Jianxin

28 March 2024

自上市以來，我們一直秉承著「共同奮鬥、共同分享」的企業精神，通過加強供應鏈和市場管理，確保了現金流的充裕，這不僅保障了公司的持續發展，也使得我們能夠持續回饋投資者，保持每年穩定的分紅政策。

隨著香氛產品在健康生活中的地位日益凸顯，我們作為行業的領軍企業，將充分利用這一市場趨勢，推動公司的持續發展和繁榮。我堅信，曠世控股的未來充滿希望，值得每一位投資者信賴和擁有！

董事會主席
金建新

2024年3月28日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

The Group provides solutions to customers on design and manufacture of home decoration products and home fragrance products, comprising core products such as home fragrance candles and home fragrance diffusers, which are considered to be widely used in people's daily life.

The Group has taken some measures during the year ended 31 December 2023 to further improve on the production management, product development and sales channel, which are considered to be one of the reasons for achieving a steady growth on the revenue in spite of the relatively sluggish economy.

In addition, the Group continues putting a lot of effort in research and product development. There is a collaboration with Ningbo Tech University (浙江大學寧波理工學院) to explore new technology on the Group's products, such as application of new nano-materials on home fragrance products and development of new portable fragrance diffusers, new car-used fragrance diffusers and new lighting products with fragrance diffusing function. The research on new technology and development of new products are considered by the Group's customers as essential elements for long term business collaboration with the Group.

In addition to the online showroom that the Group has launched in response to the lockdown and travel restriction back in 2020, the Group's sales teams has put a lot of efforts on the traditional sales channels, including arranging client visits to the Group's production plant in Yinzhou District, Ningbo City, Zhejiang Province, the PRC and visiting client's headquarters overseas.

FINANCIAL REVIEW

Revenue

The Group's revenue mainly arises from the export sales of the Group's candle products, home fragrance products and home accessories during the year. It increased by approximately RMB87.9 million or 12.2% to approximately RMB806.6 million for the year ended 31 December 2023 from approximately RMB718.7 million for the year ended 31 December 2022. The Group secured more purchase orders from the existing customers, resulting in revenue growth for the year ended 31 December 2023. In addition, there is an appreciation of USD against RMB during the year ended 31 December 2023 contributing an increased revenue for overseas orders denominated in USD.

業務回顧

本集團為客戶提供設計及製造家居飾品及家居香薰產品的解決方案，包括家居香薰蠟燭及家居香薰揮發液等被認為在人們日常生活中廣泛使用的核心產品。

本集團已於截至2023年12月31日止年度採取若干措施以進一步提升生產管理、產品開發及銷售渠道，此被視為我們在經濟較為疲軟的環境下仍能實現收入穩定增長的原因之一。

此外，本集團繼續於研究及產品開發方面投入大量精力。透過與浙江大學寧波理工學院合作探索本集團產品的新技術，如新型納米材料於家居香薰產品的應用、開發新型可攜式香薰揮發液、新型車用香薰揮發液及具有香薰揮發功能的新型照明產品。本集團客戶認為，新技術研究及新產品開發為其與本集團進行長期業務合作的關鍵要素。

除本集團於2020年為應對封控及出行限制而推出的網上陳列室外，本集團的銷售團隊於傳統銷售渠道上投入了大量精力，包括安排客戶參觀本集團位於中國浙江省寧波市鄞州區的生產廠房以及參觀客戶的海外總部。

財務回顧

收入

本集團的收入主要由本集團的蠟燭產品、家居香薰產品及家居飾品於年內的出口銷售所產生。收入由截至2022年12月31日止年度約人民幣718.7百萬元增加約人民幣87.9百萬元或12.2%至截至2023年12月31日止年度約人民幣806.6百萬元。本集團從現有客戶獲得更多採購訂單，令截至2023年12月31日止年度的收入有所增加。此外，截至2023年12月31日止年度，美元兌人民幣升值，致以美元計值的海外訂單收入增加。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

FINANCIAL REVIEW (Continued)

Gross profit and gross profit margin

The Group's gross profit increased by approximately RMB27.7 million or 20.6% to approximately RMB162.1 million for the year ended 31 December 2023 from approximately RMB134.4 million for the year ended 31 December 2022. Such increase in gross profit was mainly because of the increase in the Group's revenue during the year ended 31 December 2023.

The Group's gross profit margin improved slightly for the current year, changing from approximately 18.7% for the year ended 31 December 2022 to approximately 20.1% for the year ended 31 December 2023, which was contributed by improved efficiency in the production cycle. In addition, the appreciation of USD against RMB during the year ended 31 December 2023 resulted in an increase in equivalent unit selling price in RMB but did not bring corresponding decrease in the production costs of the Group since the majority of the Group's suppliers are local enterprises in the PRC and the Group was billed in RMB, and it results in an improved gross profit margin for the year ended 31 December 2023.

Other income

The Group's other income mainly comprises income from government grants in the PRC and also the rental income earned from leasing the Group's properties. The decrease in other income during the current year was mainly attributed to less grants from the local government in the PRC for the current year.

Administrative expenses

The Group's administrative expenses mainly comprise payroll costs for the management team and supporting staff, cost of raw materials consumed for research and development purpose, depreciation expenses in relation to the Group's office buildings and office equipment and cost of utilities for office use.

There was an increase in administrative expenses of approximately RMB11.5 million or approximately 17.4% to approximately RMB77.5 million for the year ended 31 December 2023 from approximately RMB66.1 million for the year ended 31 December 2022. Increase in administrative expenses was mainly due to increased raw materials consumed for research and development and increased administrative staff to support the business growth and also salary adjustment for existing staff in response to their increased duties and performance.

財務回顧(續)

毛利及毛利率

本集團毛利由截至2022年12月31日止年度的約人民幣134.4百萬元增加約人民幣27.7百萬元或20.6%至截至2023年12月31日止年度的約人民幣162.1百萬元。毛利增加主要由於本集團截至2023年12月31日止年度的收入增加所致。

本集團的毛利率於本年度略有改善，由截至2022年12月31日止年度的約18.7%變為截至2023年12月31日止年度的約20.1%，此乃由於生產週期效率提高所致。此外，截至2023年12月31日止年度，美元兌人民幣升值導致以人民幣計值的等值單位售價增加，但並無導致本集團生產成本相應減少，原因為本集團大部分供應商為中國本地企業，且本集團以人民幣計值，因此令截至2023年12月31日止年度的毛利率有所改善。

其他收益

本集團的其他收益主要包括來自中國政府補助的收益，亦包括本集團出租物業賺取的租金收益。本年度的其他收益減少主要由於本年度中國地方政府提供的補助減少。

行政開支

本集團的行政開支主要包括管理團隊及支援人員的薪金成本、用於研發目的耗用的原材料成本、與本集團的辦公大樓及辦公設備有關的折舊開支，以及用於辦公用途的公用事業費用。

行政開支由截至2022年12月31日止年度的約人民幣66.1百萬元增加約人民幣11.5百萬元或約17.4%至截至2023年12月31日止年度的約人民幣77.5百萬元。行政開支增加主要由於研發耗用的原材料增加、增加行政人員以支持業務增長以及根據現有工作人員增加的職責及業績調整其薪金。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

FINANCIAL REVIEW (Continued)

Selling and marketing expenses

The Group's selling and marketing expenses mainly comprise advertising and promotion expenses, payroll costs for staff in sales departments, sample inspection and express fees, commissions to agents and operating costs for the Group's retail stores.

There was an increase in selling and marketing expenses of approximately RMB3.5 million or 14.2% to approximately RMB28.0 million for the year ended 31 December 2023 from approximately RMB24.4 million for the year ended 31 December 2022. Increase in the Group's selling and marketing expenses for the current year was mainly due to increased payroll costs for the sales teams to support the business growth.

Other gain, net

The Group's other gain, net mainly comprises foreign exchange differences, net fair value changes on foreign exchange forward contracts, net fair value changes on funds invested, net fair value change on fixed deposits, net fair value change on foreign exchange swaps and also donation expenses. There was an increase in other net gain of approximately RMB11.4 million to approximately RMB19.4 million for the year ended 31 December 2023 from approximately RMB8.0 million for the year ended 31 December 2022.

The increase in net other gain for the year ended 31 December 2023 was mainly due to the net fair value gain on the funds invested by the Group and the net fair value gain on the fixed deposits. The Group arranged its idle cash to invest into certain funds with low risk profile in the PRC and some fixed deposits during the year ended 31 December 2022 and the Group enjoyed a full-year return from those investments during the year ended 31 December 2023 as compared to a partial year return for the year ended 31 December 2022.

財務回顧(續)

銷售及營銷開支

本集團的銷售及營銷開支主要包括廣告及推廣開支、銷售部門員工的工資成本、樣品檢查及快遞費、代理佣金以及本集團零售店的營運成本。

銷售及營銷開支由截至2022年12月31日止年度的約人民幣24.4百萬元增加約人民幣3.5百萬元或14.2%至截至2023年12月31日止年度的約人民幣28.0百萬元。本集團於本年度的銷售及營銷開支增加主要由於為支持業務增長而增加銷售團隊的工資成本所致。

其他收益淨額

本集團的其他收益淨額主要包括外匯差異、外幣遠期合約的公平值變動淨額、所投資基金的公平值變動淨額、定期存款公平值變動淨額、外匯掉期公平值變動淨額及捐款開支。其他收益淨額由截至2022年12月31日止年度的約人民幣8.0百萬元增加約人民幣11.4百萬元至截至2023年12月31日止年度的約人民幣19.4百萬元。

截至2023年12月31日止年度其他收益淨額增加主要由於本集團投資的基金產生公平值收益淨額及定期存款產生公平值收益淨額。截至2022年12月31日止年度，本集團安排其閒置現金投資於中國若干低風險基金及若干定期存款，而本集團於截至2023年12月31日止年度從該等投資獲得全年回報，而截至2022年12月31日止年度則獲得部分年度回報。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

FINANCIAL REVIEW (Continued)

Net finance costs

The Group's net finance costs mainly represent the interest income earned from financial institutions and the finance costs incurred for short-term bank borrowings.

There was a slight decrease in net finance costs of approximately RMB0.1 million or 8.6% to approximately RMB1.4 million for the year ended 31 December 2023 from approximately RMB1.5 million for the year ended 31 December 2022.

The Group had higher balances on both bank deposits and bank borrowing amounts during the year. The Group is offered by the local banks in the PRC for some short-term banking facilities and at the same time some fixed deposit arrangements. The Group placed a fixed deposit of approximately RMB101 million using the fund from the short-term borrowings from the local banks in the PRC. There is an arbitrage effect with such arrangement bringing net interest income to the Group. The fixed deposit is transferrable to third parties.

Income tax expense

The Group is subject to income tax on an individual legal entity basis on profits arising in or derived from the tax jurisdictions in which companies comprising our Group domicile or operate.

(i) Cayman Islands income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

(ii) BVI income tax

Under the current laws of the BVI, entities incorporated in BVI are not subject to tax on their income or capital gains.

財務回顧(續)

財務成本淨額

本集團的財務成本淨額主要指從金融機構賺取的利息收入和短期銀行借款產生的財務成本。

財務成本淨額由截至2022年12月31日止年度的約人民幣1.5百萬元略減至截至2023年12月31日止年度的約人民幣1.4百萬元，減少約人民幣0.1百萬元或8.6%。

年內，本集團的銀行存款及銀行借款結餘均較高。本集團獲中國地方銀行提供若干短期銀行融資，同時提供若干定期存款安排。本集團存放了一筆約人民幣101百萬元的定期存款，相關資金乃來自從中國地方銀行獲取的短期借款資金。該安排存在套利效應，為本集團帶來了淨利息收入。定期存款可轉讓予第三方。

所得稅開支

本集團須就組成本集團之各公司於所處或營運所在稅務司法權區產生或賺取之溢利按獨立法人實體基準繳納所得稅。

(i) 開曼群島所得稅

本公司為根據開曼群島公司法於開曼群島註冊成立的獲豁免有限公司，因此，獲豁免繳納開曼群島所得稅。

(ii) 英屬處女群島所得稅

根據英屬處女群島現行法律，於英屬處女群島註冊成立之實體毋須就其收益或資本收入繳納稅費。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

FINANCIAL REVIEW (Continued)

Income tax expense (Continued)

(iii) Hong Kong income tax

Income tax provision of the Group in respect of operations in Hong Kong has been calculated at the applicable tax rate on the estimated assessable profits for the year ended 31 December 2023, based on the existing legislation, interpretations and practices in respect thereof. The statutory tax rate was 16.5% for the year ended 31 December 2023.

Hong Kong profits tax has been provided on the estimated assessable profits arising in Hong Kong during the year. The first HK\$2,000,000 of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

(iv) PRC corporate income tax

Income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the years, based on the existing legislation, interpretations and practices in respect thereof. The statutory tax rate was 25% for the years ended 31 December 2023 and 2022.

Ningbo Kwung's was qualified as a "High and New Technology Enterprise" since 2008 and renewed its qualification in December 2023, and it is subject to a reduced preferential corporate income rate of 15% from 2023 to December 2026 according to the tax preference applicable to the High and New Technology Enterprise.

There was an increase in the Group's income tax expense by approximately RMB12.9 million or 345.9% to approximately RMB16.7 million for the year ended 31 December 2023 from approximately RMB3.7 million for the year ended 31 December 2022. Such increase was mainly due to (i) the recognition of deferred tax liabilities arising from the withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in the PRC; and (ii) the increase in profits of the Group for the year ended 31 December 2023.

The overall effective tax rate of the Group increased from approximately 6.6% for the year ended 31 December 2022 to approximately 21.5% for the year ended 31 December 2023. The reasons for the increase in the effective tax rate for the year ended 31 December 2023 was the same as the reason disclosed above for the increase in the income tax expense.

財務回顧(續)

所得稅開支(續)

(iii) 香港所得稅

本集團就香港的經營作出的所得稅撥備已根據現行法律、解釋及慣例，以預估截至2023年12月31日止年度應課稅溢利適用稅率計算。截至2023年12月31日止年度，法定稅率為16.5%。

已就年內於香港產生的估計應課稅溢利計提香港利得稅撥備。首筆2,000,000港元的應課稅溢利按8.25%的稅率徵稅，剩餘應課稅溢利按16.5%的稅率徵稅。

(iv) 中國企業所得稅

本集團就中國的經營作出的所得稅撥備已根據現行法律、解釋及慣例，以預估年內應課稅溢利適用稅率計算。截至2023年及2022年12月31日止年度，法定稅率為25%。

寧波曠世自2008年以來符合資格作為「高新技術企業」並於2023年12月更新其資格，根據適用於高新技術企業的稅率優惠，其自2023年至2026年12月按下調優惠企業所得稅稅率15%繳納稅款。

本集團所得稅開支由截至2022年12月31日止年度的約人民幣3.7百萬元增加約人民幣12.9百萬元或345.9%至截至2023年12月31日止年度的約人民幣16.7百萬元。該增加主要是由於(i)就本集團於中國成立的附屬公司須繳納預扣稅的未匯出盈利而應付的預扣稅確認遞延稅項負債；及(ii)本集團截至2023年12月31日止年度溢利增加所致。

本集團總體實際稅率由截至2022年12月31日止年度的約6.6%上升至截至2023年12月31日止年度的約21.5%。截至2023年12月31日止年度的實際稅率上升的理由與上文披露的所得稅開支增加的原因相同。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

FINANCIAL REVIEW (Continued)

Property, plant and equipment

The Group's property plant and equipment mainly comprise net carrying amounts of the construction costs for the buildings and structures under construction, the office building, production plants, machinery and the corresponding capitalised renovation costs. There was a significant increase in the net carrying amount of the Group's property, plant and equipment by approximately RMB112.0 million during the year ended 31 December 2023 which was mainly due to the costs capitalised for the construction of production facilities on a piece of land located at the Sanshan Economic Development Zone of Wuhu City, Anhui Province, the PRC, which was acquired by the Group in 2022.

Right-of-use assets

The Group's right-of-use assets comprise net carrying amounts of the prepaid land use rights for the lands used by the Group's office building and production plants, and also the net carrying amounts of the properties leased by the Group.

There was a slight increase in balance of approximately RMB1.5 million during the year ended 31 December 2023, which was mainly due to the net effect of (i) the capitalised costs arising from the renewed leases of several buildings located in Ningbo City, Zhejiang Province, the PRC, for the Group's internal usage; and (ii) the depreciation charge for the year ended 31 December 2023.

Investment properties

The Group's investment properties represent the buildings located in Ningbo City, Zhejiang Province, the PRC, owned by the Group. Such buildings are leased to independent third parties as warehouses. The investment properties were subsequently disposed of in the first quarter of 2024 to a connected person of the Company.

Inventories

The Group's inventory balance comprises raw materials, work in progress and finished goods for the Group's candle products, home fragrance products and home accessories products.

The inventories balance remained at a similar level as at 31 December 2023 as compared to 31 December 2022.

財務回顧(續)

物業、廠房及設備

本集團的物業、廠房及設備主要包括在建樓宇及構築物、辦公大樓、生產廠房、機器的建造成本及相應資本化裝修成本的賬面淨值。截至2023年12月31日止年度，本集團物業、廠房及設備的賬面淨值大幅增加約人民幣112.0百萬元，主要是由於在位於中國安徽省蕪湖市三山經濟開發區的一幅土地（本集團於2022年收購）上興建生產設施的資本化成本所致。

使用權資產

本集團的使用權資產包括本集團辦公大樓及生產廠房使用的土地的預付土地使用權的賬面淨值，以及本集團租賃的物業的賬面淨值。

截至2023年12月31日止年度，結餘略微增加約人民幣1.5百萬元，主要由於(i)重續位於中國浙江省寧波市的若干樓宇租賃以供本集團內部使用所產生的資本化成本；及(ii)截至2023年12月31日止年度的折舊費用的淨影響。

投資物業

本集團的投資物業指本集團擁有的位於中國浙江省寧波市的樓宇。有關樓宇已租賃予獨立第三方作為倉庫。投資物業其後於2024年第一季度出售予本公司一名關連人士。

存貨

本集團存貨結餘包括本集團蠟燭產品、家居香薰產品及家居飾品的原材料、半成品及製成品。

於2023年12月31日的存貨結餘與2022年12月31日相若。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

FINANCIAL REVIEW (Continued)

Trade receivables

Trade receivables balance as at 31 December 2023 mainly represented outstanding balance from the Group's overseas customers. There was an increase in trade receivables balance before allowance for impairment of approximately RMB30.1 million or 24.2% from approximately RMB124.1 million as at 31 December 2022 to approximately RMB154.2 million as at 31 December 2023. Such increase is in line with the increase in the revenue of the Group for the current year.

Most of the Group's trade receivables balance were aged within 180 days. The Group experienced limited bad debt issues over the years and a small provision for impairment of trade receivables of approximately RMB3.0 million was recorded as at 31 December 2023, which is calculated based on the expected credit loss percentage for the aged trade receivables balance.

Prepayments, deposits and other receivables

The balance of prepayments, deposits and other receivables comprises mainly advances to suppliers, recoverable value-added tax and deposits paid.

There was an increase in the balance of approximately RMB11.3 million or 53.0% to approximately RMB32.7 million as at 31 December 2023 from approximately RMB21.4 million as at 31 December 2022. The increase in balance was mainly due to an increase in recoverable value-added tax as at 31 December 2023 as a result of an increase in refundable value-added tax arising from the export sales closed to the financial year end date.

財務回顧(續)

貿易應收款項

於2023年12月31日，貿易應收款項結餘主要指本集團海外客戶的未償還結餘。除減值撥備前的貿易應收款項結餘由2022年12月31日的約人民幣124.1百萬元增加約人民幣30.1百萬元或24.2%至2023年12月31日的約人民幣154.2百萬元。該增幅與本集團本年度收入增幅一致。

本集團大部分貿易應收款項結餘均於180天內到期。多年來，本集團經歷的壞賬事宜有限，而於2023年12月31日，貿易應收款項錄得小額減值撥備約人民幣3.0百萬元，乃根據賬齡較長的貿易應收款項結餘的預期信貸虧損百分比計算。

預付款項、按金及其他應收款項

預付款項、按金及其他應收款項結餘主要包括向供應商墊款、可收回增值稅及已付按金。

結餘由2022年12月31日的約人民幣21.4百萬元增加約人民幣11.3百萬元或53.0%至2023年12月31日的約人民幣32.7百萬元。結餘增加乃主要由於2023年12月31日的可收回增值稅有所增加，因為臨近財政年度結算日的出口銷售所產生的可退還增值稅增加所致。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

FINANCIAL REVIEW (Continued)

Financial assets/liabilities at fair value through profit or loss

The Group subscribes certain private funds in the PRC using idle cash totalling RMB100 million during the year ended 31 December 2022. In addition, the Group arranged foreign currency forward contracts and currency swap contracts with commercial banks in the PRC in respect of the exchange rate of RMB against USD in response to the Group's foreign exchange exposure arising from the sales to the Group's overseas customers, which was denominated in USD.

The Group made full redemption for the investments in private funds and also the wealth management products during the year ended 31 December 2023. In addition, all foreign currency forwards contracts and also the currency swap contracts expired during the year ended 31 December 2023, resulting in nil balance as at 31 December 2023.

Other current assets

Balance represented fixed deposits arranged with a local bank in the PRC. Those fixed deposits are measured at fair values.

Cash and cash in bank

The balance of cash and cash in bank as at 31 December 2023 comprised cash deposited into financial institutions in the PRC and Hong Kong, and also restricted cash maintained in financial institutions in the PRC.

There was an increase in the balance of approximately RMB40.5 million or 28.3% to approximately RMB183.8 million as at 31 December 2023 from approximately RMB143.2 million as at 31 December 2022. Such increase in balance was mainly due to the net effect of the proceeds from redemption of investment funds and also payments made for the construction of production facilities in production base in Wuhu City, Anhui Province, the PRC.

財務回顧(續)

按公平值計入損益之金融資產／金融負債

本集團於截至2022年12月31日止年度使用閒置現金認購若干中國私募基金，總額為人民幣100百萬元。此外，本集團與中國的商業銀行就人民幣兌美元的匯率安排外幣遠期合約及貨幣掉期合約，以應對本集團向本集團海外客戶作出以美元計值銷售導致的外匯風險。

截至2023年12月31日止年度，本集團已悉數贖回私募基金投資及理財產品。此外，所有外幣遠期合約及貨幣掉期合約於截至2023年12月31日止年度屆滿，導致於2023年12月31日結餘為零。

其他流動資產

結餘指於中國當地銀行安排的定期存款。該等定期存款按公平值計量。

現金及銀行現金

於2023年12月31日，現金及銀行現金結餘包括於中國及香港金融機構的現金存款以及於中國金融機構存放的受限制現金。

結餘由2022年12月31日的約人民幣143.2百萬元增加約人民幣40.5百萬元或28.3%至2023年12月31日的約人民幣183.8百萬元。結餘的相關增加乃主要由於贖回投資基金所得款項及就於中國安徽省蕪湖市生產基地建設生產設施所支付款項的淨影響所致。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

FINANCIAL REVIEW (Continued)

Trade and other payables

The balance of trade and other payables comprises mainly payables to suppliers of raw materials, payables to contractors in relation to the construction of production facilities in production base in Wuhu City, Anhui Province, the PRC, and also payroll payables to the Group's employees.

There was an increase in the balance of approximately RMB84.8 million or 100.7% to approximately RMB169.1 million as at 31 December 2023 from approximately RMB84.2 million as at 31 December 2022. The change in balance was mainly due to some purchase of raw materials close to the financial year end date and also some outstanding payments in relation to the construction of production facilities in production base in Wuhu City, Anhui Province, the PRC.

Lease liabilities

The balance of lease liabilities represents the present value of future lease payments in respect of factory buildings leased by the Group.

There is an increase in the balance of approximately RMB0.9 million to approximately RMB1.1 million as at 31 December 2023 from approximately RMB0.2 million as at 31 December 2022 as a result of net effect of the new liabilities arising from some renewed lease arrangements and also settlement to the lessors during the year ended 31 December 2023.

RECENT DEVELOPMENT

The Group has acquired a piece of land located at Sanshan Economic Development Zone* (三山經濟開發區), Wuhu City, Anhui Province, the PRC (the "Wuhu Site"), and has started the construction of production facilities on top of the land. The total site area of the land is approximately 96,000 sq.m. and there will be warehouses, workshop buildings and staff quarters with a construction area of approximately 87,000 sq.m. Such production facilities can bring a better quality to the Group's products with less reliance on outsourced subcontracting work, especially for non-standard products. In addition, the production facilities will be equipped with more advanced machineries, achieving a more efficient production cycle. There will also be a more comprehensive production lines for fragrance products. The construction is still in progress and it is expected to be completed within the year 2024 to release additional production capacities for supporting the Group's business growth.

財務回顧(續)

貿易及其他應付款項

貿易及其他應付款項結餘主要包括應付原材料供應商款項、就於中國安徽省蕪湖市生產基地建設生產設施應付承建商款項及應付本集團僱員的薪金。

結餘由2022年12月31日的約人民幣84.2百萬元增加約人民幣84.8百萬元或100.7%至2023年12月31日的約人民幣169.1百萬元。結餘變動主要由於臨近財政年度結算日購買若干原材料及有關於中國安徽省蕪湖市生產基地建設生產設施的部分未付款項所致。

租賃負債

租賃負債結餘指本集團租賃的工廠樓宇的未來租賃付款現值。

結餘由2022年12月31日的約人民幣0.2百萬元增加約人民幣0.9百萬元至2023年12月31日的約人民幣1.1百萬元，乃由於截至2023年12月31日止年度若干重續租賃安排產生的新負債及向出租人結算款項的淨影響所致。

近期發展

本集團已收購位於中國安徽省蕪湖市三山經濟開發區的一塊土地(「蕪湖地塊」)，並已開始在該土地上興建生產設施。該土地的總地盤面積約96,000平方米，其中包括建築面積約87,000平方米的倉庫、廠房及員工宿舍。該等生產設施可提升本集團的產品質量，減少對外判分包工作的依賴，尤其是對非標準產品的依賴。此外，生產設施將配備更先進的機械，實現更高效的生產週期。香薰產品亦將有更全面的生產線。建築工程仍在進行中，預期將於2024年內完工，以釋放額外產能支持本集團業務增長。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

RECENT DEVELOPMENT (Continued)

In addition, the Group subscribed interests in two investment funds in the PRC totalling RMB100 million on 2 January 2024 funded by the Group's surplus cash reserves. The Directors are of the view that such appropriate wealth management with low risk exposure is conducive to enhancing the utilisation of capital and increase income from idle funds of the Group.

Moreover, the Group has recently disposed of a subsidiary which mainly owned a land-use rights and buildings (the "Properties") and cash of RMB1 million to a connected person of the Company at a consideration of RMB47 million. Upon the completion of the construction of production facilities mentioned above, it is considered not necessary to continue to own the Properties and therefore they were disposed of in exchange of liquidity to support the daily operation of the Group. Please refer to the circular of the Company dated 30 January 2024 for details.

FUTURE PLANS

In addition to setting up the Group's self-owned production facilities in the Wuhu Site as mentioned above, the Group is also exploring the possibilities of setting up new production facilities overseas in response to overseas market demands.

Having established a long term plan on the production capacity, the Group is also actively expanding its customer base, including customers from new geographical markets like the United States. The Group has established a healthy and solid customer base with existing customers and it is a good time for the Group to go further into new market and secure new customers for the Group's sustainable growth.

近期發展(續)

此外，本集團已於2024年1月2日認購兩隻中國投資基金的權益，合共人民幣100百萬元，資金乃由本集團的盈餘現金儲備撥付。董事會認為，該類低風險的適當財富管理有利於提高資本的利用率，並增加本集團閒置資金的收入。

另外，本集團近期向本公司一名關連人士出售一間附屬公司(該附屬公司主要擁有土地使用權及樓宇(「該等物業」))及現金人民幣1百萬元，代價為人民幣47百萬元。於上述生產設施建設完成後，本集團認為毋須繼續擁有該等物業，因此出售該等物業以換取流動資金，以支持本集團的日常營運。詳情請參閱本公司日期為2024年1月30日的通函。

未來計劃

除上文所述於蕪湖地塊建立本集團的自有生產設施外，本集團亦正在探索在海外建立新生產設施的可能性，以應對海外市場需求。

除制定產能長期計劃外，本集團亦積極擴大其客戶群，包括來自美國等新地區市場的客戶。本集團已與現有客戶建立良好穩固的關係，目前為本集團進一步進入新市場並為本集團的可持續增長獲取新客戶的好時機。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTORS

Mr. JIN Jianxin (金建新先生), aged 58, is our executive Director, chairman and the chief executive officer. He is our founder and joined our Group in January 1999. He is responsible for executing board resolutions, formulating business development plans and strategies and overseeing the daily business operation of the Group. He is the uncle of Mr. Tian Dong and brother-in-law of Mr. RU Liming, a substantial Shareholder and former executive Director.

Mr. Jin has over 20 years of experience in the manufacturing, marketing and selling of candle products. He has been the chairman of the board of Ningbo Kwung's since its establishment and is primarily responsible for the overall management of Ningbo Kwung's. Since 2016, he has been appointed as the vice chairman of China Daily-use Chemical Industry Association (Candle Division) (中國日用化工協會蠟燭分會).

Mr. Jin graduated from Beijing International Studies University (北京第二外國語學院) with a degree of bachelor of economics in July 1989. He was awarded with the qualification of Senior Economist by the Zhejiang Province Human Resources and Social Security Department (浙江省人力資源和社會保障廳) in February 2011. In January 2014, he was named as Culture New Zhejiang Entrepreneur (文化新浙商) by the Selection Committee of the Culture New Zhejiang Entrepreneur (文化新浙商評選組委會).

Mr. Jin is also a director of Kwung's Investments Limited, Kwung's Wisdom (Hong Kong) Co., Limited, Ningbo Kwung's, Neobee Australia Pty Ltd and Orient Radiance Co., Limited, all of which being subsidiaries of the Company.

執行董事

金建新先生，58歲，為執行董事、主席兼首席執行官。彼為我們的創辦人，並於1999年1月加入本集團。彼負責執行董事會決議案、制定業務發展計劃及策略以及監督本集團日常業務經營。彼為田東先生的舅父及主要股東及前執行董事茹黎明先生姻弟。

金先生於製造、營銷及銷售蠟燭產品方面擁有逾20年經驗。自寧波曠世成立起，彼一直為其董事會主席，主要負責寧波曠世的整體管理。自2016年起，彼獲委任為中國日用化工協會蠟燭分會的副理事長。

金先生於1989年7月畢業於北京第二外國語學院的經濟學學士學位課程。彼於2011年2月獲浙江省人力資源和社會保障廳授予高級經濟師的資格。於2014年1月，彼獲文化新浙商評選組委會授予文化新浙商的稱號。

金先生亦為曠世投資有限公司、曠世智源(香港)有限公司、寧波曠世、Neobee Australia Pty Ltd及 Orient Radiance Co., Limited的董事，該等公司均為本公司的附屬公司。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層(續)

EXECUTIVE DIRECTORS (Continued)

Mr. TIAN Dong (田東先生), aged 44, is our executive Director. He is responsible for overseeing the financial and capital operation of the Group. He is the nephew of Mr. Jin.

Mr. Tian has been working in our Group for more than 19 years. He joined our Group in 2004 as an office administrator of the performance appraisal office of Ningbo Kwung's and was promoted to supervisor of the information system department of Ningbo Kwung's in November 2008. Since November 2011, he has been working as the secretary of the board of Ningbo Kwung's and has been responsible for the corporate governance, organisation of the directors' and shareholders' meetings of Ningbo Kwung's. Mr. Tian has also served as the general manager of the supply chain management centre and domestic sales centre since December 2022.

Mr. Tian graduated from Zhejiang University of Science and Technology (浙江科技學院) with a degree of computer science and technology (計算機科學與技術) in June 2002. He also obtained a master degree of science in distributed systems and networks from University of Kent in November 2004.

Mr. Tian is also a director of Ningbo Fenyuan, a wholly owned subsidiary of the Company.

執行董事(續)

田東先生，44歲，為執行董事。彼負責監督本集團的財務及資本營運。彼為金先生外甥。

田先生一直為本集團服務逾19年。彼於2004年加入本集團擔任寧波曠世績效考核領導小組的辦公室主任，並於2008年11月晉升至寧波曠世信息總監。自2011年11月起，彼一直擔任寧波曠世董事會秘書，負責寧波曠世的企業管治及籌備董事及股東會議。田先生自2022年12月起亦擔任供應鏈管理中心及國內行銷中心總經理。

於2002年6月，田先生畢業於浙江科技學院的計算機科學與技術學位課程。彼亦於2004年11月獲取肯特大學(University of Kent)的分佈式系統及網絡理碩士。

田先生亦為本公司的全資附屬公司寧波芬緣的董事。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層(續)

NON-EXECUTIVE DIRECTORS

Mr. SHAO Patrick (邵平先生), aged 58, is our non-executive Director. Mr. Shao joined our Group as a director of Ningbo Kwung's in June 2015. He is primarily responsible for formulating the business development plans and strategies of our Group.

Mr. Shao has extensive experience in business strategies formulation, business development and operation. From June 2005 to July 2015, he was the vice general manager of Guangzhou Shi Xinli Metal Limited (廣州市新力金屬有限公司), a brake pad friction materials manufacturing company and was primarily responsible for the development of new products and formulation of business strategies of the company. Currently, he is the vice general manager and director of human resources department of Zhangjiagang Xinli Metal Limited (張家港新力金屬有限公司), a PRC company engaging in the manufacturing of brake pad friction materials. He is responsible for formulating the business strategies and overseeing the daily operation of the company.

Mr. Shao graduated from Peking University (北京大學) with a degree of bachelor of Chinese Literature in July 1989.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAI Chun Yu (黎振宇先生), aged 47, is our independent non-executive Director. He was appointed as our independent non-executive Director on 16 December 2019. He is responsible for providing independent advice to our Board.

Mr. Lai has more than 20 years of experience in the area of accounting, auditing and financial management. From July 2000 to December 2003, he worked as an accountant in Ernst & Young. From August 2005 to June 2007, he worked as a financial controller of Qin Jia Yuan Media Services Company Limited (presently known as SMI Culture & Travel Group Holdings Limited), a media services provider listed on the Stock Exchange (stock code: 2366), and was primarily responsible for assisting in the budget preparation, treasury, internal control and investor relation matter of the company. From May 2009 to June 2017, he worked as a company secretary of Amber Energy Limited (presently known as Puxing Energy Limited), a clean energy provider in the PRC listed on the Stock Exchange (stock code: 90), and was responsible for assisting in the listing and corporate governance matters of the company.

非執行董事

邵平先生，58歲，為非執行董事。邵先生於2015年6月加入本集團擔任寧波曠世的董事。彼主要負責制定本集團業務發展計劃及策略。

邵先生於業務策略制定、業務發展及營運方面經驗豐富。於2005年6月至2015年7月，彼為剎車片摩擦物料製造公司廣州市新力金屬有限公司的副總經理，主要負責該公司的新產品開發及制定業務策略。目前，彼為張家港新力金屬有限公司副總經理及人力資源部總監，該中國公司從事製造剎車片摩擦物料。彼負責制定業務策略及監督公司日常營運。

於1989年7月，邵先生畢業於北京大學的中國文學學士學位課程。

獨立非執行董事

黎振宇先生，47歲，為獨立非執行董事。彼於2019年12月16日獲委任為獨立非執行董事。彼負責為董事會提供獨立意見。

黎先生於會計、審核及財務管理方面擁有逾20年經驗。於2000年7月至2003年12月，彼於安永會計師事務所擔任會計師。於2005年8月至2007年6月，彼擔任於聯交所上市的媒體服務供應商+綠媒體服務有限公司(現稱為星美文化旅遊集團控股有限公司)(股份代號：2366)的財務總監，主要負責協助公司的預算編製、財務、內部控制及投資者關係事宜。於2009年5月至2017年6月，彼擔任於聯交所上市的中國清潔能源供應商琥珀能源有限公司(現稱為普星潔能有限公司，股份代號：90)的公司秘書，負責協助公司上市及企業管治事宜。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

Mr. Lai obtained a degree of bachelor of business (accountancy) from Queensland University of Technology in August 1999. Mr. Lai has become a Certified Practising Accountant of CPA Australia since November 2002. He was admitted as a certified public accountant of HKICPA in January 2004 and has become a fellow member of HKICPA since 2010.

Mr. Lai has held directorship in the following listed company in Hong Kong in the last three years:

獨立非執行董事(續)

黎先生於1999年8月獲取昆士蘭科技大學的商學士(會計)學位。黎先生自2002年11月起為澳洲註冊會計師公會的註冊會計師。彼於2004年1月獲取香港會計師公會執業會計師資格，自2010年起為香港會計師公會資深會員。

黎先生於最近三年在以下香港上市公司擔任董事：

Period 期間	Name of entity 實體名稱	Principal business activities 主要業務活動	Position held 擔任的職位	Responsibilities 職責
October 2019 – Present	Tailam Tech Construction Holdings Limited (stock code: 6193)	Manufacture and sale of concrete piles and commercial concrete in the PRC	Independent non-executive director	Providing independent advice to the board of the company
2019年10月至現時	泰林科建控股有限公司 (股份代號：6193)	於中國產銷混凝土管樁及商品混凝土	獨立非執行董事	為公司董事會提供獨立意見

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS

(Continued)

Ms. XU Qiong (徐瓊女士), aged 56, is our independent non-executive Director. She was appointed as our independent non-executive Director on 19 April 2022. She is responsible for providing independent advice to our Board.

Ms. Xu has over 10 years of experience in financial and local tax advisory service in the PRC. Ms. Xu is currently the major shareholder and the chairlady of the board of directors of Ningbo Huihao Tax Agent Company Limited (寧波匯浩稅務師事務所有限公司) and Ningbo Yinzhou Pengyi Enterprise Management Consulting Company Limited (寧波市鄞州朋弈企業管理諮詢有限公司).

Ms. XU graduated from the Correspondence Institute of the Party School of the Communist Party of China (中共中央黨校函授學院) in 2000, majoring in political science and law. Ms. Xu is a registered tax agent in the PRC.

Mr. ZHOU Kai (周凱先生), aged 51, is our independent non-executive Director. He was appointed as our independent non-executive Director on 16 December 2019. He is responsible for providing independent advice to our Board.

Mr. Zhou has more than 10 years of experience in the area of financial development and regulations. The following table sets forth the working experience of Mr. Zhou:

Period 期間	Name of entity 實體名稱	Principal business activities 主要業務活動	Position held 擔任的職位	Responsibilities 職責
August 2023 – Present 2023年8月至現時	Ningbo Yinzhou Rural Commercial Bank Co., Ltd 寧波鄞州農村商業銀行股份有限公司	Bank 銀行	Independent non-executive director 獨立非執行董事	Responsible for governance of the bank 負責銀行的管治
July 2023 – Present 2023年7月至現時	Ningbo Gaofa Automotive Control System Co., Ltd 寧波高發汽車控制系統股份有限公司	Manufacturing of automotive parts and accessories 汽車零部件及配件製造	Independent non-executive director 獨立非執行董事	Responsible for corporate governance 負責公司治理

獨立非執行董事(續)

徐瓊女士，56歲，為我們的獨立非執行董事。彼於2022年4月19日獲委任為獨立非執行董事。彼負責向董事會提供獨立意見。

徐女士於中國擁有逾10年的金融及地方稅務諮詢服務經驗。徐女士現擔任寧波匯浩稅務師事務所有限公司及寧波市鄞州朋弈企業管理諮詢有限公司之主要股東兼董事會主席。

徐女士於2000年畢業於中共中央黨校函授學院本科班政法專業。徐女士為中國註冊稅務師。

周凱先生，51歲，為獨立非執行董事。彼於2019年12月16日獲委任為獨立非執行董事。彼負責為董事會提供獨立意見。

周先生於金融發展及法規範疇擁有逾10年經驗。下表載列周先生的工作資歷：

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)
董事及高級管理層 (續)

INDEPENDENT NON-EXECUTIVE DIRECTORS
(Continued)

獨立非執行董事 (續)

Period 期間	Name of entity 實體名稱	Principal business activities 主要業務活動	Position held 擔任的職位	Responsibilities 職責
November 2021 – Present 2021年11月至現時	Ningbo Yuyao Rural Commercial Bank Co., Ltd 寧波余姚農村商業銀行股份有限公司	Bank 銀行	Supervisor 監事	Supervising and checking 監督和檢查
June 2021 – Present 2021年6月至現時	Changyuan (Ningbo) Technology Development Co., Ltd. 長源(寧波)科技發展有限公司	Management consulting 管理諮詢	Executive director 執行董事	Company operation 公司營運
December 2020 – Present 2020年12月至現時	Ningbo Yongcheng Rural Commercial Bank Limited 寧波甬城農村商業銀行股份有限公司	Bank 銀行	Independent non-executive director 獨立非執行董事	Responsible for governance of the bank 負責銀行的管治
September 2020 – Present 2020年9月至現時	Ningbo Zhongchun High-tech Co., Ltd. 寧波中淳高科股份有限公司	Non metallic mineral products industry 非金屬礦物製品業	Independent non-executive director 獨立非執行董事	Providing independent advice to the Board 負責為董事會提供獨立意見
May 2018 – Present 2018年5月至現時	Ningbo Zhenhai Rural Commercial Bank Co., Ltd 寧波市鎮海農村商業銀行股份有限公司	Bank 銀行	Independent non-executive director 獨立非執行董事	Responsible for governance of the bank 負責銀行的管治
January 2020 – June 2021 2020年1月至2021年6月	DeHeng Law Offices (Ningbo) (北京德恒(寧波)律師事務所) 北京德恒(寧波)律師事務所	Law firm 律師行	Lawyer 律師	Providing legal advices to clients in the area of corporate governance and financial activities 為客戶提供企業管治及金融活動範疇的法律意見

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS

獨立非執行董事(續)

(Continued)

Period 期間	Name of entity 實體名稱	Principal business activities 主要業務活動	Position held 擔任的職位	Responsibilities 職責
April 2018 – December 2019	Zhejiang Jinzong Law Firm (浙江金眾律師事務所)	Law firm	Lawyer	Providing legal advices to clients in the area of corporate governance and financial activities
2018年4月至 2019年12月	浙江金眾律師事務所	律師行	律師	為客戶提供企業管治及金融活動範疇的法律意見
November 2012 – July 2017	The Financial Affairs Office of Ningbo Municipal Government (寧波市人民政府金融工作辦公室)	Government authority	Deputy director	Formulating and organising the implementation of the development plans of the local capital market; supervising the financial activities in the district
2012年11月至 2017年7月	寧波市人民政府金融工作辦公室	政府機關	副主任	制定及籌備實行當地資本市場的發展規劃及監督地區的金融活動
December 2008 – November 2012	The Financial Affairs Office of Yinzhou, District Government, Ningbo (寧波市鄞州區人民政府金融工作 辦公室)	Government authority	Director	Formulating and organising the implementation of the development plans of the local financial market; supervising the financial activities in the district
2008年12月至 2012年11月	寧波市鄞州區人民政府金融工作 辦公室	政府機關	主任	制定及籌備實行當地金融市場的發展規劃及監督地區的金融活動

Mr. Zhou graduated from Nanjing University (南京大學) with a degree of bachelor of political science in the school of political science and public administration in July 1994. He also obtained a master degree of public administration from The Australian National University in July 2004. Mr. Zhou was admitted as a lawyer in the PRC in June 2000.

於1994年7月，周先生畢業於南京大學並獲取政治與行政管理系政治學學士學位。彼亦於2004年7月獲取澳洲國立大學的公共管理碩士學位。周先生於2000年6月在中國獲得律師專業資格。

DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高級管理層(續)

COMPANY SECRETARY

Mr. LAU Chung Wai (劉仲緯先生) is our company secretary.

Mr. Lau has over 19 years of experience in accounting and finance. The following table sets forth the working experience of Mr. Lau:

Period 期間	Name of entity 實體名稱	Principal business activities 主要業務活動	Position held 擔任的職位
August 2015 – March 2019 2015年8月至2019年3月	Da Sen Holdings Group Limited (stock code: 1580) 大森控股集團有限公司 (股份代號: 1580)	Manufacture and sale of plywood products and biomass wood pellets 製造及銷售膠合板產品及木製生物質顆粒	Chief financial officer and company secretary 首席財務官及公司秘書
May 2013 – July 2015 2013年5月至 2015年7月	Passion Art International Holdings Limited Passion Art International Holdings Limited	Manufacture and sale of furniture and home decoration products 製造及銷售傢俱及家居裝飾品	Group financial controller 集團財務總監
September 2011 – April 2013 2011年9月至 2013年4月	Starcom Worldwide, a subsidiary of Publicis Groupe SA, a company listed on the Euronext Paris (stock code: PUB.PA) Starcom Worldwide, 該公司為Publicis Groupe SA的附屬公司, 於巴黎泛歐證券交易所上市 (股份代號: PUB.PA)	Media agency 媒體代理	Finance manager 財務經理
September 2004 – September 2011 2004年9月至 2011年9月	Ernst & Young 安永會計師事務所	Assurance 審計服務部	Manager of assurance department (last position) 審計服務部經理(最後職位)

Mr. Lau graduated from the Hong Kong University of Science and Technology with a bachelor of business administration in accounting in November 2004. He was admitted as a certified public accountant of HKICPA in January 2008 and has become a fellow member of HKICPA since May 2015.

公司秘書

劉仲緯先生，為公司秘書。

劉先生於會計及財務方面擁有逾19年經驗。下表載列劉先生的工作資歷：

劉先生於2004年11月畢業於香港科技大學，獲取工商管理(會計)學士學位。彼於2008年1月獲取香港會計師公會執業會計師的資格，自2015年5月起為香港會計師公會資深會員。

REPORT OF THE DIRECTORS

董事會報告

The Directors present their report and the audited consolidated financial statements of the Company for the year ended 31 December 2023 (“**the year**” or “**the year under review**”).

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 13 to the Group’s consolidated financial statements. There were no significant changes in the nature of the Group’s principal activities during the year.

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (“**Hong Kong Companies Ordinance**”), including a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group’s business, can be found in the Management Discussion and Analysis set out on pages 10 to 19 of this annual report. This discussion forms part of this report of the directors.

RESULTS AND DIVIDENDS

The Group’s profit for the year ended 31 December 2023 and the Group’s financial position at that date are set out in the Group’s audited financial statements on pages 61 to 167.

The Board does not recommend the payment of dividend in respect of the year ended 31 December 2023.

A special dividend of HK7 cents per ordinary share was approved by the Shareholders in the extraordinary general meeting held on 17 January 2023 and was paid on 3 February 2023. In addition, another special dividend of HK5 cents per ordinary share was declared by the Board and paid on 5 December 2023.

董事提呈其報告及本公司截至2023年12月31日止年度（「**年內**」或「**回顧年度**」）之經審核綜合財務報表。

主要業務及業務回顧

本公司主要業務為投資控股。主要附屬公司之主要業務詳情載於本集團的綜合財務報表附註13。年內本集團主要業務之性質並無重大變動。

按香港法例第622章香港公司條例（「**香港公司條例**」）附表5規定對該等業務所作的進一步討論及分析，包括討論本集團面對的主要風險及不明朗因素，以及本集團業務日後可能的發展的指示，載於本年報第10至19頁的管理層討論與分析一節。有關討論構成本董事會報告的一部分。

業績及股息

本集團截至2023年12月31日止年度之溢利及本集團於該日期之財務狀況載於第61至167頁之本集團經審核財務報表。

董事會不建議就截至2023年12月31日止年度派付任何股息。

股東於2023年1月17日舉行的股東特別大會上批准派發每股普通股7港仙的特別股息且股息已於2023年2月3日支付。此外，董事會於2023年12月5日再次宣派及支付每股普通股5港仙的特別股息。

SUMMARY FINANCIAL INFORMATION

A summary of the published results, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 168 of this annual report. This summary does not form part of the Group's audited consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES OF THE COMPANY

Neither the Company nor any of the subsidiaries of the Company purchased, redeemed or sold the listed securities of the Company during the year ended 31 December 2023.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

DISTRIBUTABLE RESERVES

As at 31 December 2023, the Company's reserves available for distribution, calculated in accordance with the Companies Act (as revised) of the Cayman Islands, amounted to approximately RMB206,813,000.

CHARITABLE CONTRIBUTIONS

During the year, the Group made charitable contributions totalling RMB2,050,000.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for approximately 71% of the total sales for the year and sales to the largest customer included therein amounted to approximately 23%.

Purchases from the Group's five largest suppliers accounted for less than 30% of the total purchases for the year.

財務資料概要

本集團過去五個財政年度的已刊發業績、資產及負債的概要乃摘錄自經審核財務報表，並載於本年報第168頁。此概要並不構成本集團經審核綜合財務報表的一部分。

購買、出售或贖回本公司之上市股份

截至2023年12月31日止年度，本公司或本公司之任何附屬公司概無購買、贖回或出售本公司之上市證券。

優先購買權

細則或開曼群島之法律並無優先購買權之條文，規定本公司須按比例向現時之股東提呈發售新股。

可供分派儲備

於2023年12月31日，本公司的可供分派儲備（根據開曼群島公司法（經修訂）計算）約為人民幣206,813,000元。

慈善捐款

年內，本集團作出慈善捐款合計人民幣2,050,000元。

主要客戶及供應商

於回顧年內，向本集團五大客戶的銷售額佔年度總銷售額約71%，當中向最大客戶的銷售額佔銷售額約23%。

自本集團五大供應商的採購額佔本集團於年內的採購總額少於30%。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

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

DIRECTORS

The Directors during the year were:

Chairman and executive Director

Mr. JIN Jianxin

Executive Director

Mr. TIAN Dong

Non-executive Director

Mr. SHAO Patrick

Independent non-executive Directors

Mr. LAI Chun Yu

Ms. XU Qiong

Mr. ZHOU Kai

Mr. JIN Jianxin and Mr. ZHOU Kai will retire in accordance with articles 108(a) and 108(b) of the Articles and they being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company.

ANNUAL CONFIRMATION OF INDEPENDENCE FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has assessed the independence of all independent non-executive Directors and considered that all independent non-executive Directors still remain independent to the Company.

董事或彼等的任何聯繫人或任何股東(據董事深知, 擁有本公司股本5%以上者)概無擁有本集團五大客戶的任何實益權益。

董事

本年度之董事為:

主席及執行董事

金建新先生

執行董事

田東先生

非執行董事

邵平先生

獨立非執行董事

黎振宇先生

徐瓊女士

周凱先生

金建新先生及周凱先生根據細則第108(a)條及第108(b)條, 將於本公司應屆股東週年大會上退任, 惟彼等符合資格並願意膺選連任。

獨立非執行董事之年度獨立性確認書

本公司已評估全體獨立非執行董事的獨立性並認為全體獨立非執行董事仍獨立於本公司。

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 20 to 27 of this annual report.

DIRECTORS' SERVICE CONTRACTS

No Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

Directors' remunerations are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group.

During the year ended 31 December 2023, Mr. JIN Jianxin, an executive Director, and Mr. SHAO Patrick, the non-executive Director, have waived their emoluments granted by the Company.

PERMITTED INDEMNITY PROVISION

During the year ended 31 December 2023, a permitted indemnity provision as defined in the Hong Kong Companies Ordinance was in force for an indemnity against certain liabilities incurred by Directors.

董事及高級管理層履歷

本集團董事及高級管理層之履歷詳情載於本年報第20至27頁。

董事服務合約

擬於應屆股東週年大會重選連任的董事概無與本公司訂立本公司不可於一年內免付賠償(法定賠償除外)而終止的服務合約。

董事薪酬

董事之薪酬乃由董事會參考董事的職責、責任及表現以及本集團業績後釐定。

截至2023年12月31日止年度，執行董事金建新先生以及非執行董事邵平先生已放棄本公司授予彼等的薪酬。

獲准許的彌償條文

截至2023年12月31日止年度，獲准許的彌償條文(定義見香港公司條例)已就董事產生的若干負債作出彌償。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

The Group entered into a number of tenancy agreements (the “**Tenancy Agreements**”) with Ningbo Jingxiang to lease certain properties in the PRC during the year ended 31 December 2023. Please refer to the section headed CONNECTED AND RELATED PARTY TRANSACTIONS below for details.

Ningbo Jingxiang is principally engaged in property management and agency service in the PRC. The properties covered by the Tenancy Agreements are indirectly owned by Mr. JIN Jianxin (金建新), an executive Director and a controlling shareholder of the Company, and Ningbo Jingxiang has been engaged as an agent to manage the leasing matters of the properties covered by the Tenancy Agreements.

Save as disclosed above, no Director nor a connected entity of a Director had interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, or any of the Company's subsidiaries or fellow subsidiaries was a party during the year.

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

As at 31 December 2023, the interests and short positions of the Directors and chief executive in the share capital and underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions in Shares

Name of Directors	Note	Number of Shares held	Percentage of the Company's share capital
董事姓名	附註	持有股份數目	佔本公司股本之百分比
JIN Jianxin 金建新	(a)	239,766,000	59.20%

董事於交易、安排或合約中的權益

本集團於截至2023年12月31日止年度與寧波景祥訂立多份租賃協議(「租賃協議」)，以租賃位於中國的若干物業。詳情請參閱下文「關連及相關人士交易」一節。

寧波景祥主要於中國從事物業管理及代理服务業務。租賃協議所涵蓋物業由本公司執行董事兼控股股東金建新先生間接擁有，而寧波景祥已獲委聘為代理，以管理租賃協議所涵蓋物業的租賃事宜。

除上文所披露者外，董事或董事的關連實體概無於本公司、或本公司任何附屬公司或同系附屬公司作為一方於年內訂立對本集團業務而言屬重大的任何交易、安排或合約中直接或間接擁有權益。

董事及主要行政人員於股份、相關股份及債權證的權益及淡倉

於2023年12月31日，董事及主要行政人員已登記根據證券及期貨條例第352條規定須予記錄，或根據標準守則另行知會本公司及聯交所之本公司或其相聯法團(定義見證券及期貨條例第XV部)之股本及相關股份及債權證中之權益及淡倉如下：

股份的好倉

Note:

- (a) 239,766,000 Shares of the Company, representing approximately 59.20% of the total number of issued Shares, were held by Golden Element Investment Limited which in turn was held as to 99.99% by Golden Existence Investment Limited. Golden Existence Investment Limited was held as to 100% by Equiom Fiduciary Services (Hong Kong) Limited which is the trustee of a family trust set up by Mr. Jin who can influence how the trustee exercises its discretion in the trust.

Save as disclosed above, as at 31 December 2023, none of the Directors and chief executive had registered an interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

EMOLUMENT POLICY

The Group had 567 employees in the PRC, Australia and Hong Kong as at 31 December 2023. The total salaries and related costs granted to employees amounted to approximately RMB83.7 million for the year ended 31 December 2023.

The Group's remuneration policy, bonus and share option scheme determines benefits of employees (including Directors) based on the duties and performance of each individuals. The Group has also participated in the mandatory provident fund retirement benefit scheme in Hong Kong, and the central pension scheme operated by the local municipal government in the PRC. The Group arranges trainings necessary to employees for performing their duties.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives or rewards to eligible participants who contribute to the Group. Eligible participants of the Scheme include full-time or part-time employee of the Company or any member of the Group, including any executive Director, non-executive Director and independent non-executive Director, adviser and consultant of the Group or any subsidiaries of the Company. The Scheme is effective for a period of ten years commencing on 16 January 2020, after which period no further options may be granted but the provisions of the Scheme shall remain in full force and effect in all other respects and options granted during the life of the Scheme may continue to be exercisable in accordance with their terms of issue.

附註：

- (a) 本公司的239,766,000股股份(佔已發行股份總數約59.20%)乃由Golden Element Investment Limited持有，而Golden Element Investment Limited乃由Golden Existence Investment Limited擁有99.99%權益。Golden Existence Investment Limited乃由Equiom Fiduciary Services (Hong Kong) Limited全資擁有，而Equiom Fiduciary Services (Hong Kong) Limited為金先生(其可影響受託人於信託中行使其酌情權的方式)所設立家族信託的受託人。

除上文所披露者外，於2023年12月31日，概無董事及主要行政人員已登記根據證券及期貨條例第352條規定須予記錄，或根據標準守則另行知會本公司及聯交所之本公司或其任何相聯法團之股份、相關股份或債權證中之權益或淡倉。

薪酬政策

本集團於2023年12月31日在中國、澳洲及香港擁有567名僱員。於截至2023年12月31日止年度，向僱員提供的薪金及相關成本總額約為人民幣83.7百萬元。

本集團的薪酬政策、花紅及購股權計劃基於各僱員(包括董事)的職責及表現而釐定其福利。本集團亦於香港參與強制性公積金退休福利計劃，及於中國參與由地方市政府管理的中央退休金計劃。本集團為僱員安排履行職責所需的培訓。

購股權計劃

本公司實行購股權計劃(「計劃」)，目的為向對本集團有貢獻的合資格參與者給予獎勵或回報。計劃的合資格參與者包括本公司或本集團任何成員公司的全職或兼職僱員，包括本集團或本公司任何附屬公司的任何執行董事、非執行董事及獨立非執行董事、顧問及諮詢人。計劃於2020年1月16日起計十年期間生效，其後概不會進一步授出任何購股權，惟計劃的條文在所有其他方面仍有十足效力及效用，而於計劃期限內授出的購股權可繼續根據其發行條款予以行使。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 40,000,000 Shares. The maximum number of Shares issuable under the Scheme to each eligible participant in the Scheme within any 12-month period is limited to 1% of the Shares in issue as of the date of grant. Any further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting.

Share options granted to a Director, chief executive or substantial Shareholder, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial Shareholder or an independent non-executive Director, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to Shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Scheme. Subject to earlier termination by our Company in general meeting or by our Board, the Scheme shall be valid and effective for a period of 10 years from the date of its adoption. There is no minimum period for which an option must be held before it can be exercised.

The subscription price of a Share in respect of any particular option granted under the Scheme shall be such price as our Board in its absolute discretion shall determine, save that such price will not be less than the highest of: (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five Shares trading days immediately preceding the date of grant; and (iii) the nominal value of a Share.

因行使現時可根據計劃授出的未行使購股權而可發行的股份最高數目相當於(在其行使時) 40,000,000 股股份。於任何十二個月期間根據計劃而可向計劃項下各合資格參與者發行股份的最高數目，不得超過於授出日期已發行股份的 1%。凡進一步授出超過此限額的購股權，必須於股東大會上獲得股東批准。

向董事、主要行政人員或主要股東或彼等任何聯繫人授出購股權，必須獲得獨立非執行董事的事先批准。此外，倘在任何十二個月期間向本公司主要股東或獨立非執行董事或彼等任何聯繫人授出的任何購股權超過本公司於任何時間的已發行股份的 0.1%，或總值(按本公司股份於授出日期的價格計算)超過 5,000,000 港元，則必須經股東於股東大會上事先批准。

授出購股權的要約可於承授人支付合共 1 港元名義代價後接納。所授購股權的行使期由董事會全權酌情釐定，惟概無購股權可於授出後十年後行使。計劃批准日期起十年後不得再授出購股權。除非本公司經由股東大會或經由董事會提前終止，否則計劃自採納日期起十年期間內合法及有效。於購股權可獲行使前並無最短持有購股權的期限。

根據計劃授出任何特定購股權所涉及股份的認購價須由董事會全權酌情釐定，惟該價格應不低於下列最高者：(i) 股份於購股權授出日期(須為聯交所開放進行證券買賣之日)於聯交所每日報價表所示的正式收市價；(ii) 緊接購股權授出日期前五個股份交易日於聯交所每日報價表所示的平均正式收市價；及(iii) 股份的面值。

The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will rank pari passu in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully paid Shares in issue on the date of issue.

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or were any such rights exercised by them; or was the Company or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

CONTRACT OF SIGNIFICANCE

Mr. JIN Jianxin, an executive Director and a substantial Shareholder was interested in contracts for the lease of certain properties to the Group. Further details of the transactions undertaken in connection therewith are included in the section headed CONNECTED AND RELATED PARTY TRANSACTIONS below.

因行使購股權而將予配發的股份將不會附帶投票權，直至承授人(或任何其他人士)完成有關股份的持有人登記為止。根據上述規定，因行使購股權而配發及發行的股份與發行日期其他已發行繳足股份在所有方面享有同等權益，擁有相同的投票權、股息、轉讓及其他權利(包括清盤產生的權利)。

本年度內任何時間，董事概無獲授可透過購買本公司股份或債權證而獲益之權利，而彼等亦無行使任何此等權利；本公司或其任何附屬公司或同系附屬公司概無訂立任何安排，致使董事可於任何其他法人團體購入該等權利。

重大合約

金建新先生(執行董事及主要股東)於租賃若干物業予本集團之合約中擁有權益。就此進行的交易的進一步詳情載於下文「關連及相關人士交易」一節。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

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

As at 31 December 2023, the following interests and short positions of 5% or more of the share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Long positions in Shares

Name	Notes	Capacity and nature of interest	Number of Shares held	Percentage of the Company's share capital 佔本公司股本之百分比
名稱／姓名	附註	身份及權益性質	持有股份數目	
CHEN Jiangyan 陳薑諺	(a)	Interest of spouse 配偶權益	239,766,000	59.20%
Golden Element Investment Limited	(b)	Beneficial owner 實益擁有人	239,766,000	59.20%
Golden Element Investment Limited	(b)	Interest of controlled corporation 受控法團權益	239,766,000	59.20%
Golden Existence Investment Limited	(b)	Interest of controlled corporation 受控法團權益	239,766,000	59.20%
Equiom Fiduciary Services (Hong Kong) Limited	(b)	Trustee 受託人	239,766,000	59.20%
Equiom Fiduciary Services (Hong Kong) Limited		受託人		
RU Liming 茹黎明	(c)	Interest of controlled corporation 受控法團權益	54,102,857	13.36%
DMA Limited 德瑪有限公司	(c)	Beneficial owner 實益擁有人	54,102,857	13.36%

Notes:

- (a) Ms. CHEN Jiangyan is the spouse of Mr. JIN Jianxin and therefore is deemed to be interested in all the Shares Mr. JIN Jianxin is interested in under the SFO.
- (b) 239,766,000 Shares of the Company, representing approximately 59.20% of the total number of issued Shares, were held by Golden Element Investment Limited which in turn was held as to 99.99% by Golden Existence Investment Limited. Golden Existence Investment Limited was held as to 100% by Equiom Fiduciary Services (Hong Kong) Limited which is the trustee of a family trust set up by Mr. JIN Jianxin, who can influence how the trustee exercises its discretion in the trust.
- (c) DMA Limited is owned as to 80.70% by Mr. RU Liming and Mr. RU Liming is deemed to be interested in the 54,102,857 Shares owned by DMA Limited under the SFO.

主要股東及其他人士於股份及相關股份的權益及淡倉

於2023年12月31日，以下佔本公司股本及購股權5%或以上之權益及淡倉記錄於證券及期貨條例第336條規定本公司須存置之權益登記冊內：

股份的好倉

附註：

- (a) 陳薑諺女士為金建新先生的配偶，故此根據證券及期貨條例，陳薑諺女士被視為於金建新先生擁有權益的所有股份中擁有權益。
- (b) 本公司的239,766,000股股份(佔已發行股份總數約59.20%)乃由Golden Element Investment Limited持有，而Golden Element Investment Limited乃由Golden Existence Investment Limited擁有99.99%權益。Golden Existence Investment Limited乃由Equiom Fiduciary Services (Hong Kong) Limited全資擁有，而Equiom Fiduciary Services (Hong Kong) Limited為金建新先生(其可影響受託人於信託中行使其酌情權的方式)所設立家族信託的受託人。
- (c) 茹黎明先生持有德瑪有限公司80.70%的股份，因此根據證券及期貨條例，茹黎明先生被視為於德瑪有限公司持有的54,102,857股股份中擁有權益。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

Save as disclosed above, as at 31 December 2023, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section “Directors’ and chief executive’s interests and short positions in Shares and underlying shares and debentures” above, had registered an interest or short position in the Shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

CONNECTED AND RELATED PARTY TRANSACTIONS

Connected transactions

On 28 February 2023, Ningbo Kwung’s entered into a tenancy agreement with Ningbo Jingxiang to lease a property in the PRC. The lease term is from 1 March 2023 to 31 May 2024 and the total rent is RMB824,400.

In addition, on 30 April 2023, Ningbo Kwung’s entered into another tenancy agreement with Ningbo Jingxiang to lease certain properties in the PRC. The lease term is from 1 May 2023 to 31 July 2024 and the total rent is RMB4,925,827.50.

In addition, on 30 April 2023, Ningbo Fenyuan entered into a tenancy agreement with Ningbo Jingxiang to lease certain properties in the PRC. The lease term is from 1 May 2023 to 31 July 2024 and the total rent is RMB1,286,028.

Ningbo Jingxiang is wholly owned by Mr. RU Jin (茹晉). Mr. RU Jin is the son of Mr. RU Liming (茹黎明), a substantial shareholder of the Company, and therefore Ningbo Jingxiang is a connected person of the Company.

For details of the connected transactions, please refer to the Company’s announcement dated 2 May 2023.

Save as disclosed above, none of the related party transactions under the applicable accounting standards for preparing the Group’s consolidated financial statements and as disclosed in note 36 to the consolidated financial statements constitute connected transactions or continuing connected transaction that is subject to, among other things, the reporting, announcement or independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules, and the Company has complied with the requirements under Chapter 14A of the Listing Rules.

除上文所披露者外，於2023年12月31日，除上文「董事及主要行政人員於股份、相關股份及債權證的權益及淡倉」一節所載擁有權益的董事及本公司主要行政人員外，概無人士已登記根據證券及期貨條例第336條規定須予記錄之本公司股份或相關股份中之權益或淡倉。

關連及相關人士交易

關連交易

於2023年2月28日，寧波曠世與寧波景祥訂立租賃協議以租賃位於中國的一處物業。租期自2023年3月1日起至2024年5月31日，總租金為人民幣824,400元。

此外，於2023年4月30日，寧波曠世與寧波景祥訂立另一份租賃協議以租賃位於中國的若干物業。租期自2023年5月1日起至2024年7月31日，總租金為人民幣4,925,827.50元。

此外，於2023年4月30日，寧波芬緣與寧波景祥訂立租賃協議以租賃位於中國的若干物業。租期自2023年5月1日起至2024年7月31日，總租金為人民幣1,286,028元。

寧波景祥由茹晉先生全資擁有。茹晉先生為本公司主要股東茹黎明先生之兒子，因此寧波景祥為本公司之關連人士。

有關關連交易的詳情，請參閱本公司日期為2023年5月2日之公告。

除上文所披露者外，本集團編製綜合財務報表適用會計準則項下及綜合財務報表附註36所披露的關聯方交易均不構成須遵守(其中包括)上市規則第14A章項下申報、公告或獨立股東批准規定的關連交易或持續關連交易，及本公司已遵守上市規則第14A章項下規定。

REPORT OF THE DIRECTORS (CONTINUED)

董事會報告(續)

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the total number of issued Shares were held by the public as at 31 December 2023.

AUDITOR

PricewaterhouseCoopers retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

JIN Jianxin
Chairman

Hong Kong 28 March 2024

足夠公眾持股量

根據可供本公司公開查閱之資料及就董事所知，於2023年12月31日由公眾人士持有已發行股份總數最少25%。

核數師

羅兵咸永道會計師事務所任滿告退，而本公司將於即將舉行的股東週年大會上提呈一項決議案，建議續聘其為本公司的核數師。

代表董事會

主席
金建新

香港，2024年3月28日

CORPORATE GOVERNANCE PRACTICES

Save as the deviation from the code provision C.2.1 of the Corporate Governance Code, the Company has applied the principles and complied with the applicable code provisions in the Corporate Governance Code for the year ended 31 December 2023.

BOARD OF DIRECTORS

Board composition

As at 31 December 2023 and as at the date of this report, the Board comprises six Directors, including two executive Directors, one non-executive Director and three independent non-executive Directors as follows:

Executive Directors

Mr. JIN Jianxin (Chairman)
Mr. TIAN Dong

Non-executive Director

Mr. SHAO Patrick

Independent non-executive Directors

Mr. LAI Chun Yu
Ms. XU Qiong
Mr. ZHOU Kai

企業管治常規

除偏離企業管治守則守則條文第C.2.1條外，截至2023年12月31日止年度，本公司已應用企業管治守則的原則及遵守其適用守則條文。

董事會

董事會組成

於2023年12月31日及本報告日期，董事會由六名董事組成，包括兩名執行董事、一名非執行董事及三名獨立非執行董事，載列如下：

執行董事

金建新先生(主席)
田東先生

非執行董事

邵平先生

獨立非執行董事

黎振宇先生
徐瓊女士
周凱先生

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Board meetings, board committee meetings and general meetings

The attendance of each Director for the Board meetings, board committee meetings and general meetings held during the year ended 31 December 2023 is set out in the following table:

董事會會議、董事委員會會議及股東大會

各董事出席於截至2023年12月31日止年度舉行之董事會會議、董事委員會會議及股東大會之詳情載列如下：

Directors	董事	Meeting attended/meetings eligible to attend 會議出席次數/合資格出席會議次數				
		Board 董事會	Audit committee 審核委員會	Remuneration committee 薪酬委員會	Nomination committee 提名委員會	Shareholders' meetings 股東大會
Executive Directors	執行董事					
JIN Jianxin	金建新	4/4	N/A 不適用	1/1	1/1	2/2
TIAN Dong	田東	4/4	N/A 不適用	1/1	1/1	2/2
Non-executive Director	非執行董事					
SHAO Patrick	邵平	4/4	3/3	N/A 不適用	N/A 不適用	1/2
Independent non-executive Directors	獨立非執行董事					
LAI Chun Yu	黎振宇	4/4	3/3	1/1	1/1	2/2
XU Qiong	徐瓊	3/3	N/A 不適用	N/A 不適用	1/1	2/2
ZHOU Kai	周凱	4/4	3/3	1/1	N/A 不適用	2/2

BOARD DIVERSITY POLICY

The board diversity policy sets out the objective and approach to achieve and maintain diversity of the Board of the Company.

With the objective of enhancing the effectiveness of the Board and maintaining the high standard of corporate governance, the Company recognises increasing diversity at the Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in a number of aspects, including but not limited to professional experience, gender, age, cultural and education background, knowledge, ethnicity and length of service and any other factors that the Board might consider relevant and applicable from time to time in order to achieve board diversity. These differences will be considered in determining the optimum composition of the Board and, when possible, should be balanced appropriately. All Board appointments will be based on merit and the contribution which the selected candidates will bring to the Board. Candidates will be considered against objective criteria, with due regard for the benefits of the diversity on the Board.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to professional experience and qualifications, gender, age, cultural and education background, knowledge, ethnicity, skills, industry experience and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The nomination committee of the Company will discuss and agree annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption.

As at 31 December 2023, the Board comprises five male Directors and one female Director. As at 31 December 2023, approximately 68% of the Group's employees (including senior management) are female and 32% are male.

董事會成員多元化政策

董事會成員多元化政策列載本公司董事會為達至及維持成員多元化而採取的目標及方針。

為提升董事會的效能及維持企業管治的最高標準，本公司視於董事會層面的多元化為維持競爭優勢的重要元素。一個真正多元化的董事會將包括及善用多個方面的不同之處，包括但不限於專業經驗、性別、年齡、文化及教育背景、知識、種族、服務任期，以及為實現董事會成員多元化，董事會可能會不時考慮相關及適用的任何其他因素。該等不同將於釐定董事會的最合適組成時予以考慮，並於可能情況下保持適當平衡。董事會的所有委任均以用人唯才為原則，以及人選將為董事會帶來的貢獻，並於考慮人選時以客觀條件充分顧及董事會成員多元化之裨益。

甄選人選將按一系列多元化範疇為基準，包括但不限於專業經驗及資格、性別、年齡、文化及教育背景、知識、種族、技能、行業經驗及服務年期。最終將按人選的長處及可為董事會提供的貢獻而作決定。本公司提名委員會每年就達成董事會的成員多元化討論及協定可計量目標，並向董事會推薦該等目標以供採納。

於2023年12月31日，董事會由五名男性董事及一名女性董事組成。於2023年12月31日，本集團僱員(包括高級管理人員)中約68%為女性，32%為男性。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告 (續)

Chairman and chief executive

Pursuant to code provision C.2.1 of the Corporate Governance Code, the responsibilities between the chairman and the chief executive should be segregated and should not be performed by the same individual. However, we do not have a separate chairman and chief executive and Mr. JIN Jianxin currently performs these two roles. Throughout our business history, Mr. Jin, being a founder of our Group and a controlling Shareholder, has held the key leadership position of our Group and has been deeply involved in the formulation of corporate strategies and management of the business and operations of our Group since its establishment. Taking into account the consistent leadership within our Group, our Board believes that it is in the best interests of our Group and our Shareholders as a whole to have Mr. Jin taking up both roles for effective and efficient overall strategic planning and continuation of the implementation of such plans for our Group. Our Board considers that the balance of power and authority under the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Save as disclosed in this section, our Company has complied with the code provisions of the Corporate Governance Code.

Roles and responsibilities

The Board is responsible for the leadership and control of the Group, and delegates day-to-day operations to the management team of the Group. The Board provides directions to the management team by laying down strategies and plans, and then oversees the implementation performed by the management team. The Board also timely monitor the Group's operational and financial performance through monthly reports prepared by the management of the Group.

The Board also reviews the compensation policies, succession planning, internal control system and risk management system regularly through various committees established under the Board.

Code of conduct regarding Directors' securities transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as the Company's code of conduct regarding Directors' securities transactions.

Having made specific enquiry of all the Directors, all Directors have confirmed that they have complied with the Model Code during the year ended 31 December 2023 and up to the date of this report.

主席及首席執行官

根據企業管治守則之守則條文第C.2.1條，主席與首席執行官之職務應有區分，並不應由同一人兼任。然而，我們並無區分主席與首席執行官，而現時由金建新先生兼任該兩個職位。於本集團之整個業務歷史中，金先生作為本集團之創始人兼本公司之控股股東，一直持有本集團之關鍵領導職位，且已自本集團成立起深入參與本集團之企業戰略制定以及業務管理及營運。考慮到本集團內領導之一致性，為有效及迅速地為本集團作出整體策略規劃並繼續實施有關計劃，董事會相信金先生擔任兩個職位符合本集團及股東之整體最佳利益。董事會認為，目前之安排不會損害權力與權限之平衡，而此架構將使本公司得以即時及有效作出及實施決策。除本節所披露者外，本公司已遵守企業管治守則之守則條文。

職責及責任

董事會負責領導及控制本集團，並委派本集團管理團隊處理日常營運工作。董事會通過制定策略及計劃以向管理團隊發出指引，並監督管理團隊的工作實施情況。董事會亦通過本集團管理團隊編製的月度報告及時監察本集團的營運及財務表現。

董事會亦通過董事會下設的多個委員會定期檢討薪酬政策、繼任計劃、內部控制系統及風險管理系統。

董事證券交易行為守則

本公司已採納上市規則的附錄C3所載的上市發行人董事進行證券交易的標準守則作為本公司有關董事證券交易行為守則。

經向全體董事作出具體查詢後，全體董事均確認彼等於截至2023年12月31日止年度及截至本報告日期已遵守標準守則。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Terms of appointment of non-executive Directors

Each of the non-executive and independent non-executive Directors has signed a letter of appointment with the Company for a period of three years, renewable automatically for successive terms of one year each commencing from the day following the expiry of the then current term of appointment, unless terminated by either the Company or each of the non-executive and independent non-executive Directors by giving at least three months' notice in writing at the end of the aforementioned three-year term and any time thereafter.

The table set forth below summarises the annual remuneration for each of the non-executive and independent non-executive Directors:

非執行董事之委任年期

各非執行及獨立非執行董事已與本公司訂立委任函，為期三年，自當時已有任期屆滿之日開始自動連任且每次任期為一年，除非本公司或各非執行及獨立非執行董事於上述三年任期結束後及之後的任何時間向對方發出最少三個月的書面通知終止。

下表概述各非執行及獨立非執行董事的年度薪酬：

Director	董事	Annual remuneration 年度薪酬
Mr. SHAO Patrick	邵平先生	RMB8,000 人民幣8,000元
Mr. LAI Chun Yu	黎振宇先生	HKD180,000 180,000港元
Ms. XU Qiong	徐瓊女士	RMB80,000 人民幣80,000元
Mr. ZHOU Kai	周凱先生	RMB80,000 人民幣80,000元

Nomination Policy

The nomination committee of the Company makes recommendations to the Board on the appointment and re-appointment of Directors, and succession planning for Directors.

When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the nomination committee of the Company shall consider a variety of factors including without limitation the following in assessing the suitability of the proposed candidate:

- reputation for integrity;
- accomplishment, experience and reputation in the relevant industry and other relevant sectors;
- commitment in respect of sufficient time, interest and attention to the Company's business;

提名政策

本公司提名委員會就董事的任命及重新任命以及董事的繼任計劃向董事會提出建議。

就委任任何建議人選加入董事會或重新委任董事會任何現有成員提供建議時，本公司之提名委員會將考慮各種因素以評估建議人選是否合適，包括但不限於下列各項：

- 誠信信譽；
- 於相關行業及其他相關分部的成就、經驗及信譽；
- 承諾就本公司的業務投入足夠時間、興趣及關注；

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

- | | |
|---|--|
| <p>(d) diversity in all aspects, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge;</p> <p>(e) the ability to assist and support management and make significant contributions to the Company's success;</p> <p>(f) compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment of an independent non-executive Director; and</p> <p>(g) any other relevant factors as may be determined by the nomination committee of the Company or the Board from time to time.</p> | <p>(d) 於各方面均具備多元化特質，包括但不限於性別、年齡、文化及教育背景、經驗(專業或其他類型)、技能及知識；</p> <p>(e) 有能力協助及支援管理層，並對本公司的成功作出重大貢獻；</p> <p>(f) 符合上市規則第3.13條所訂明就委任獨立非執行董事的獨立性準則；及</p> <p>(g) 本公司提名委員會或董事會可能不時釐定的任何其他相關因素。</p> |
|---|--|

Board committees

The Company currently has three committees established under the Board, which are listed as follows:

- Audit committee
- Remuneration committee
- Nomination committee

Audit committee

The role and function of the audit committee of the Company is summarised below:

Relationship with the Company's external auditor

- to make recommendations to the Board on the appointment, reappointment and removal of the external auditor;
- to approve the remuneration and terms of engagement of the external auditor;
- to consider any questions of resignation or dismissal of that auditor;

董事委員會

本公司目前董事會下設有三個委員會如下：

- 審核委員會
- 薪酬委員會
- 提名委員會

審核委員會

本公司審核委員會的角色及職能概述如下：

與本公司外聘核數師的關係

- 就委任、重新委任及罷免外聘核數師向董事會提出建議；
- 批准外聘核數師的薪酬及聘用條款；
- 審議任何有關該核數師辭職或辭退該核數師的問題；

- to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
 - to discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences;
 - to develop and implement policy on engaging an external auditor to supply non-audit services;
 - to report to the Board, identifying and making recommendations on any matters where action or improvement is needed; and
 - to act as the key representative body for overseeing the Company's relations with the external auditor.
- 根據適用的標準，檢討及監察外聘核數師是否獨立及客觀，以及審計程序是否有效；
 - 於核數工作開始前，與外聘核數師討論核數工作性質及範圍，以及申報責任；
 - 就外聘核數師提供非核數服務制定及執行政策；
 - 就找出任何須採取行動或改善的事項向董事會報告並提出建議；及
 - 擔任本公司與外聘核數師之間的主要代表，負責監察兩者之間的關係。

Review of the Company's financial information

- to monitor integrity of the Company's financial statements, annual report, interim report and, if prepared for publication, quarterly reports, and to review significant financial reporting judgements contained in them; and
 - to discuss problems and reservations arising from the interim review, if applicable, and final audits, and any matters the external auditor may wish to discuss (in the absence of management where necessary).
- 監察本公司財務報表、年度報告、中期報告及(倘編製以供刊發)季度報告的完整性，並審閱其所載有關財務申報的重大判斷；及
 - 討論於中期審核(倘適用)及年終審核發生的問題及保留意見，以及任何外聘核數師可能有意討論的事項(在有需要的情况下，管理層須避席)。

Oversight of the Company's financial reporting system, risk management and internal control systems

- to review the Company's financial controls, risk management and internal control systems;
 - to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems;
 - to consider major findings from investigations on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- 檢討本公司的財務監控、風險管理及內部監控系統；
 - 與管理層討論風險管理及內部監控系統，確保管理層已履行職責建立有效的系統；
 - 就董事會委派或主動進行的風險管理及內部監控事宜的重要調查結果及管理層對調查結果的回應進行研究；

審閱本公司的財務資料

監督本公司財務報告制度、風險管理及內部監控系統

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

- where an internal audit function exists,
 - (a) to ensure co-ordination between the internal and external auditors;
 - (b) to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company; and
 - (c) to review and monitor its effectiveness;
- to review the Group's financial and accounting policies and practices;
- to review the external auditor's management letter, any material queries raised by the external auditor to management about accounting records, financial accounts or systems of control and management's response;
- to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- to review the Company's statement on internal control systems (where one is included in the annual report) prior to endorsement by the Board;
- to report to the Board on the matters in the code provision under the Corporate Governance Code;
- to consider any other matters specifically referred to the audit committee by the Board including but not limited to the following:
 - (a) to review the internal controls and risk management systems of the Company, including the internal controls on bank account management and the monitoring of bank transactions on a quarterly basis in order to detect and prevent improper bank activities and transactions;
 - (b) to review the report on bank account activities, material bank transactions and all incoming wire transfers on a quarterly basis to detect irregularities;
 - (c) to report irregularities (if any) to the Board immediately;
- 倘本公司設有內部審核功能，
 - (a) 確保內部及外聘核數師的工作得到協調；
 - (b) 確保內部審核功能在本公司內部有足夠資源運作，並且有適當的地位；及
 - (c) 檢討及監察其成效；
- 檢討本集團的財務及會計政策及實務；
- 檢討外聘核數師致管理層的《審核情況說明函件》、外聘核數師就會計記錄、財務賬目或監控系統向管理層提出的任何重大問題及管理層的回應；
- 確保董事會及時回應於外聘核數師致管理層的《審核情況說明函件》中提出的事宜；
- 於董事會核准前，審閱本公司就內部監控系統的聲明(倘載於年報內)；
- 就企業管治守則項下的守則條文規定的事宜向董事會匯報；
- 研究董事會特別交託審核委員會處理的任何其他事項，包括但不限於以下各項：
 - (a) 每季檢討本公司的內部監控及風險管理制度，包括銀行賬戶管理的內部監控及監察銀行交易，以查察及防止不當銀行活動及交易；
 - (b) 每季審閱銀行賬戶活動報告、重大銀行交易及所有收到的電匯，以查察異常行為；
 - (c) 如發現異常行為，即時向董事會報告；

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

- (d) to review arrangements by which employees of the Company may, in confidence, raise concerns about possible improprieties in financial reporting, internal control or other matters. The audit committee should ensure that proper arrangements are in place for the fair and independent investigation of such matters and for appropriate follow-up action; and
- (e) to review the findings of the Company's internal audit division from time to time.

The audit committee is currently chaired by Mr. LAI Chun Yu, an independent non-executive Director, and the other members of the audit committee are Mr. SHAO Patrick, a non-executive Director, and Mr. ZHOU Kai, an independent non-executive Director.

Remuneration committee

The role and function of the remuneration committee of the Company is summarised below:

- to establish and review the Company's policy and structure of the remuneration for Directors and senior management and make recommendations to the Board on the establishment of a formal and transparent procedure for developing remuneration policy;
- to determine, with delegated responsibility, the specific remuneration packages of executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, or to make recommendations to the Board on the remuneration packages of executive Directors and senior management;
- to make recommendations to the Board on employee benefit arrangement;
- to make recommendations to the Board on the remuneration of non-executive Directors;
- to consider factors such as salaries paid by comparable companies, time commitment and responsibilities, employment conditions elsewhere in the Group and desirability of performance-based remuneration;
- to review and approve the management's remuneration proposals by reference to corporate goals and objectives resolved by the Board from time to time;

- (d) 檢討本公司僱員就財務報告、內部監控或其他事項可能存在的不當情況以保密方式提出關注的安排。審核委員會應確保已作出恰當安排，以對此等事宜作出公平獨立的調查及採取適當跟進行動；及
- (e) 不時審閱本公司內部審核部門的所得資料。

審核委員會現時由獨立非執行董事黎振宇先生擔任主席，而審核委員會的其他成員為非執行董事邵平先生及獨立非執行董事周凱先生。

薪酬委員會

本公司薪酬委員會的角色及職能概述如下：

- 制定及審閱本公司董事及高級管理層的薪酬政策及結構，及為制訂此薪酬政策而建立正規及具透明度的程序，向董事會提出建議；
- 獲董事會轉授責任，為執行董事及高級管理層成員釐定具體薪酬待遇，包括非金錢利益、退休金權利及補償金（包括任何因彼等離職或終止聘用或委任而應付的補償金金額），或就執行董事及高級管理層成員的薪酬待遇向董事會作出建議；
- 就僱員福利安排向董事會作出推薦意見；
- 就非執行董事的薪酬向董事會作出建議；
- 考慮可比公司支付的薪酬、須付出的時間及職責以及本集團內其他職位的僱用條件以及按表現釐定薪酬的可取性等因素；
- 經參考董事會不時議決的公司目標及宗旨，審閱及批准管理層的薪酬建議；

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

- to review and approve the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;
- to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;
- to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration and that, as regards the remuneration of a non-executive Director who is a member of the committee, his/her remuneration should be determined by the other members of the committee;
- to advise Shareholders of the Company with respect to any service contracts of Directors that require Shareholders' approval under the Listing Rules; and
- to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.
- 檢討及批准就離職或終止聘用或委任而應付任何執行董事及高級管理層成員的補償金，以確保該等補償金乃按有關合約條款釐定，而該補償金屬公平且不會對本公司造成過重負擔；
- 審閱及批准就因董事行為失當而遭撤職或免職而作出的賠償安排，以確保該等安排乃按有關合約條款安排，若未能按有關合約條款釐定，有關賠償亦須合理適當；
- 確保任何董事或其任何聯繫人士不得參與自行釐定酬金，有關非執行董事(委員會成員)的酬金，其薪酬須由委員會的其他成員釐定；
- 就任何董事服務合約對本公司股東作出建議，該合約要求股東根據上市規則作出批准；及
- 審閱及／或批准上市規則第十七章所述有關股份計劃的事宜。

The remuneration committee is currently chaired by Mr. ZHOU Kai, an independent non-executive Director and the other members of the remuneration committee are Mr. JIN Jianxin, an executive Director and Mr. LAI Chun Yu, an independent non-executive Director.

薪酬委員會現時由獨立非執行董事周凱先生擔任主席，而薪酬委員會的其他成員為執行董事金建新先生及獨立非執行董事黎振宇先生。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Nomination committee

The role and function of the nomination committee of the Company is summarised below:

- to review the structure, size, composition and diversity (including but not limited to the skills, knowledge, gender, age, ethnicity, cultural and educational background, professional experience and length of services) of the Board at least annually and to make recommendations to the Board regarding any proposed changes to the Board to complement the corporate strategy of the Company;
- to identify individuals suitably qualified to become Board members and to select or make recommendations to the Board on the selection of, individuals for nomination of directorships of the Company;
- to assess the independence of independent non-executive Directors;
- to advise the Board on the following issues on the selection of an individual to be nominated as an independent non-executive Director:
 - (a) the process used for identifying the individual and why the individual should be elected and the reasons why it considers the individual to be independent;
 - (b) if the proposed independent non-executive Director will be holding their seventh (or more) listed company directorship, why the individual would still be able to devote sufficient time to the Board;
 - (c) the perspectives, skills and experience that the individual can bring to the Board; and
 - (d) how the individual contributes to diversity of the Board;
- to make recommendations to the Board on relevant matters relating to the appointment or re-appointment or removal of directors of the Company and succession planning for directors in particular the chairman and the chief executive officer of the Company;

提名委員會

本公司提名委員會的角色及職能概述如下：

- 至少每年檢討董事會的架構、人數、組成及多元化(包括但不限於技能、知識、性別、年齡、種族、文化及教育背景、專業經驗及服務年期)，並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議；
- 物色具備合適資格可擔任董事會成員的人士，並挑選提名有關人士出任本公司董事或就此向董事會提供意見；
- 評核獨立非執行董事的獨立性；
- 就以下有關甄選被提名為獨立非執行董事的人士之問題，向董事會提供意見：
 - (a) 用以物色該名人士的流程，董事會認為應選任該名人士的理由以及彼等認為該名人士屬獨立人士的原因；
 - (b) 如果該名人士將出任第七家(或以上)上市公司的董事，董事會認為該名人士仍可投入足夠時間履行董事責任的原因；
 - (c) 該名人士可為董事會帶來的觀點角度、技能及經驗；及
 - (d) 該名人士如何促進董事會成員多元化；
- 就本公司董事委任或重新委任或罷免以及董事(尤其是本公司主席及首席執行官)繼任計劃的有關事宜向董事會提出建議；

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

- to implement and review the Board diversity policy of the Company (the “**Board Diversity Policy**”); recommend any revisions of the Board Diversity Policy to the Board; review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives;
- disclose the Board Diversity Policy or a summary of such policy, in particular, the measurable objectives that it has set for implementing the Board Diversity Policy and the progress on achieving these objectives and its review results in the Company’s corporate governance report annually; and
- to review and disclose the policy for nomination of directors implemented, as appropriate, and a summary of the work during the year in the Company’s corporate governance report annually.
- 實施和檢討本公司董事會成員多元化政策(「**董事會成員多元化政策**」)，向董事會建議該政策的修訂；檢討董事會為實施董事會成員多元化政策而設定的可計量目標以及實現這些目標的進度；
- 在本公司每年的企業管治報告中披露董事會成員多元化政策或其摘要，尤其是為執行董事會成員多元化政策而設定的可計量目標以及實現這些目標的進度及其審查結果；及
- 檢討及披露實施的董事提名政策(如適用)及該年的工作摘要，每年於本公司的企業管治報告中作出披露。

The nomination committee is currently chaired by Ms. XU Qiong, an independent non-executive Director, and the other members of the nomination committee are Mr. JIN Jianxin, an executive Director and Mr. LAI Chun Yu, an independent non-executive Director.

提名委員會現時由獨立非執行董事徐瓊女士擔任主席，而提名委員會的其他成員為執行董事金建新先生及獨立非執行董事黎振宇先生。

AUDITOR’S REMUNERATION

PricewaterhouseCoopers has been appointed as the auditor of the Company in respect of the audit of the consolidated financial statements of the Company for the year ended 31 December 2023. No non-audit services have been provided by PricewaterhouseCoopers to the Group during the year ended 31 December 2023.

核數師薪酬

羅兵咸永道會計師事務所已獲委任為本公司核數師以審核本公司截至2023年12月31日止年度之綜合財務報表。於截至2023年12月31日止年度，羅兵咸永道會計師事務所並無向本集團提供非核數服務。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

An analysis of the fees paid or payable to PricewaterhouseCoopers in relation to services rendered to the Group for the year ended 31 December 2023 is as follows:

就羅兵咸永道會計師事務所於截至2023年12月31日止年度向本集團提供之服務而已或應向其支付之費用分析如下：

		RMB'000 人民幣千元
Audit services	核數服務	1,810
Non-audit services	非核數服務	-
		1,810

DIVIDEND POLICY

The Board may consider declaring and paying dividends to the Shareholders by taking into account the factors set out below. Such declaration and payment of dividends by the Company shall remain to be determined at the sole discretion of the Board and subject to the requirements under all applicable laws, rules and regulations as well as the Articles.

When considering whether to declare any dividends and determining the dividend amount, the Board shall take into consideration, inter alia, the following factors:

- (a) results of operation;
- (b) cash flows;
- (c) financial condition;
- (d) future business prospects;
- (e) statutory and contractual restrictions on the payment of dividends; and
- (f) any other factors that the Board may deem appropriate.

The Board may propose the payment of dividends, if any, with respect to the Company's Shares on a per share basis.

股息政策

董事會可考慮以下因素考慮向股東宣派及派付股息。本公司宣派及派付的股息須由董事會全權酌情決定，並遵守所有適用法律、規則及法規以及細則的規定。

於考慮是否宣派任何股息並釐定股息金額時，董事會須考慮以下因素(其中包括)：

- (a) 營運業績；
- (b) 現金流量；
- (c) 財務狀況；
- (d) 未來業務前景；
- (e) 派付股息的法定及合約限制；及
- (f) 任何董事會可能認為適當的其他因素。

董事會可就本公司股份以每股股份為基準建議派付股息(如有)。

CORPORATE GOVERNANCE REPORT (CONTINUED)

企業管治報告(續)

Depending on the financial conditions of the Group and the conditions and factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period as interim dividend, final dividend, special dividend and any distribution of net profits that appear to the Board to be justified by the profits of the Company available for distribution. Except in the case of interim dividend, any dividends declared by the Company must be approved by an ordinary resolution of Shareholders at an annual general meeting and must not exceed the amount recommended by the Board.

The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate, subject to and in accordance with the procedures set out in the Articles.

The Company will continually review the dividend policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the policy at any time. The policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and in no way obligate the Company to declare a dividend at any time or from time to time.

SHAREHOLDERS' RIGHTS

Shareholders can at any time raise enquiries to the Board. The enquiries must be in writing with contact information of the Shareholder(s) and deposited at the principal place of business of Company in Hong Kong at Unit 1102, 11th Floor, Brill Plaza, No. 84 To Kwa Wan Road, To Kwa Wan, Kowloon, Hong Kong for the attention of the company secretary of the Company.

In addition, any one or more duly registered holder of the Shares holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified and putting forward proposals in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitioner(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

視乎本集團的財務狀況以及上述條件及因素，董事會可於財政年度或期間建議及／或宣派股息作為中期股息、末期股息、特別股息及任何董事會鑒於本公司溢利認為具合理理據支持可供分派之純利之任何分派。除中期股息情況外，本公司宣派的任何股息必須於股東週年大會上經股東的普通決議案予以批准，且不得超過董事會所建議的金額。

本公司可以現金或以股代息或以董事會認為合適之其他方式宣派及派付股息，惟受限於及根據細則所載程序。

本公司將會持續審閱股息政策以及保留其唯一及絕對酌情權以在任何時候更新、修訂及／或修改政策。本政策絕不構成一項本公司對其將派付任何特定數額股息的法律約束承諾，本公司沒有義務隨時或不時宣佈派發股息。

股東權利

股東可隨時向董事會提出查詢。查詢必須以書面形式作出，並附上股東之聯絡資料，投遞至本公司於香港之主要營業地點，地址為香港九龍土瓜灣土瓜灣道84號環凱廣場11樓1102室，註明本公司公司秘書收。

此外，於遞交有關請求日期持有附帶於本公司股東大會上的投票權的不低於本公司繳足股本10%的一名或以上正式登記股份持有人，可隨時有權透過向董事會或本公司的秘書發出書面請求，要求董事會就於請求書列明的任何業務交易及提呈議案召開股東特別大會，且有關大會須於遞交有關請求後兩個月內舉行。倘於遞交有關請求後二十一天內董事會未能召開有關大會，則請求人士可按相同方式自行召開有關大會，而有關請求人士因董事會未能召開大會而產生的所有合理費用應由本公司向有關請求人士進行償付。

CORPORATE GOVERNANCE REPORT (CONTINUED) 企業管治報告(續)

Overall, the Company considers the above Shareholders' communication policy of the Group implemented and conducted during the year to be effective. The Company will continue to review the implementation and effectiveness of the Shareholders' communication policy by Shareholders' feedback from the above channel.

CONSTITUTIONAL DOCUMENTS

Except for the adoption of the Articles, there is no significant changes in the constitutional documents of the Company during the year ended 31 December 2023.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for evaluating and determining the nature and extent of the risks the Company is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems. The Board acknowledges that such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms that it has conducted a review of the risk management and internal control systems of the Group during the year ended 31 December 2023. The review was performed by the internal audit team.

The Board concludes, based on the result of the review, that the risk management and internal control systems currently in place are adequate and effective. The Board expects that a review of the risk management and internal control systems will be performed annually.

整體而言，本公司認為本集團於年內實施及進行的上述股東溝通政策屬有效。本公司將繼續透過上述渠道反饋的股東意見，檢討股東溝通政策的實施情況及成效。

章程文件

除採納細則外，截至2023年12月31日止年度，本公司章程文件並無重大變動。

風險管理及內部監控

董事會負責評估及釐定本公司達成其策略目標時所願意接受的風險性質及程度，並確保本公司設立及維持合適及有效的風險管理及內部監控系統。董事會監督管理層對風險管理及內部監控系統的設計、實施及監察。董事會知悉有關風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，且僅可就重大失實陳述或虧損作出合理而非絕對的保證。

董事會確認其已於截至2023年12月31日止年度對本集團風險管理及內部監控系統進行審閱。審閱乃由內部審核團隊進行。

基於審閱結果，董事會認為，現有風險管理及內部監控系統屬充足及有效。董事會預計將每年對風險管理及內部監控系統進行審閱。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



羅兵咸永道

Independent Auditor's Report
To the Shareholders of Kwung's Holdings Limited
(incorporated in the Cayman Islands with limited liability)

致曠世控股有限公司股東
(於開曼群島註冊成立的有限公司)

OPINION

意見

What we have audited

我們已審計的內容

The consolidated financial statements of Kwung's Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**"), which are set out on pages 61 to 167, comprise:

曠世控股有限公司(以下簡稱「**貴公司**」)及其附屬公司(以下統稱「**貴集團**」)列載於第61至167頁的綜合財務報表，包括：

- the consolidated statement of financial position as at 31 December 2023;
 - the consolidated statement of profit or loss and other comprehensive income for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.
- 於2023年12月31日的綜合財務狀況表；
 - 截至該日止年度的綜合損益及其他全面收益表；
 - 截至該日止年度的綜合權益變動表；
 - 截至該日止年度的綜合現金流量表；及
 - 綜合財務報表附註，包括重大會計政策資料及其他說明資料。

OPINION (Continued)

Our opinion

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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.

意見(續)

我們的意見

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」)真實而中肯地反映了貴集團於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，並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

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。

關鍵審計事項

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

KEY AUDIT MATTERS (Continued)

The key audit matter identified in our audit is related to revenue recognition on wholesale transactions as follows:

Key Audit Matter

關鍵審計事項

Revenue recognition – wholesale transactions

收入確認－批發交易

Refer to Note 3.1.8 and Note 7 to the consolidated financial statements.

請參閱綜合財務報表附註3.1.8及附註7。

Revenue of the Group from wholesale transactions for the year ended 31 December 2023 is RMB800 million. Revenue from wholesale transactions is recognised when control of the underlying products has been transferred to the customers.

貴集團截至2023年12月31日止年度來自批發交易之收入為人民幣800百萬元。來自批發交易之收入於相關產品控制權已轉移至客戶時確認。

We focus on revenue from wholesale transactions due to the high volume of sales, and thus significant audit time and resources were devoted in this area.

我們關注來自批發交易之收入是由於銷售量龐大，因而於這領域投入大量審計時間及資源。

關鍵審計事項(續)

於審核中識別的有關批發交易所確認收入的關鍵審計事項如下：

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

We understood, evaluated and tested, on a sample basis, management's key controls over revenue recognition in respect of the Group's wholesale transactions, from approval of customer orders, all the way to settlement of trade receivables.

我們就貴集團的批發交易採用抽樣方法了解、評估並驗證管理層從批准客戶訂單至結清貿易應收款項對收入確認的關鍵控制。

We conducted testing for revenue wholesale transactions on a sample basis by examining the relevant supporting documents, including sales contracts or customer orders, sales invoices, shipping documents, customs declaration forms for export sales, and cash collections.

我們按抽樣基準，通過檢查相關佐證文件，包括：銷售合約或客戶訂單、銷售發票、船運文件、出口銷售海關申報表及現金收取，對收入批發交易進行測試。

We performed confirmation procedures on selected customers' receivable balances at the balance sheet date and on selected customers' revenue transaction amounts during the year.

我們對於資產負債表日期之選定客戶應收款項餘額及年內選定客戶的收入交易額進行函證確認。

We tested wholesale transactions that took place before and after the balance sheet date to assess whether the transactions were recognised in the appropriate reporting period based on the supporting documents obtained.

我們對資產負債表日期前後進行的批發交易進行測試，以根據所得佐證文件評估交易是否於適當報告期間確認。

Based on our work performed, we found the revenue wholesale transactions tested were supported by the relevant evidence that we gathered.

基於所執行的工序，我們發現，我們收集的相關證據支持獲測試的收入批發交易。

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the Kwung's Holdings Limited 2023 Annual Report (the "annual report") (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the other information to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Audit Committee and take appropriate action considering our legal rights and obligations.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

其他信息

貴公司董事須對其他信息負責。其他信息包括曠世控股有限公司2023年年報(「年報」)所載的所有信息，但不包括綜合財務報表及我們的核數師報告。預期吾等將於本核數師報告日期後獲得其他信息。

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

結合我們對綜合財務報表的審計，我們的責任是在可取得上文所識別的其他信息時閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

當我們閱讀將包括在年報內的其他信息後，如果我們認為其中存在重大錯誤陳述，我們需要將有關事項與審核委員會溝通，並考慮我們的法律權利和義務後採取適當行動。

董事及審核委員會就綜合財務報表須承擔的責任

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

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

審核委員會須負責監督貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

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

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

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

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

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

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

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

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

核數師就審計綜合財務報表承擔的責任(續)

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

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們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，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，採取行動消除威脅或運用防範措施。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 Mang, Kwong Fung Frederick.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 March 2024

核數師就審計綜合財務報表承 擔的責任(續)

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。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的不利後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人為孟江峰。

羅兵咸永道會計師事務所
執業會計師

香港，2024年3月28日

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 31 December 2023 截至2023年12月31日止年度

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
	Note 附註		
Revenue	收入	7	806,551
Cost of sales	銷售成本	8	(644,419)
Gross profit	毛利		162,132
Administrative expenses	行政開支	8	(77,538)
Selling and marketing expenses	銷售及營銷開支	8	(27,919)
Net impairment losses on financial assets	金融資產減值虧損淨額	22, 23	(1,243)
Other income	其他收益	10	4,024
Other gains – net	其他收益–淨額	11	19,391
Operating profit	經營溢利		78,847
Finance income	財務收益		2,397
Finance costs	財務成本		(3,788)
Finance costs – net	財務成本–淨額	12	(1,391)
Profit before income tax	除所得稅前溢利		77,456
Income tax expense	所得稅開支	14	(16,659)
Profit for the year	年內溢利		60,797
Profit attributable to:	以下應佔溢利：		
– Owners of the Company	– 本公司擁有人		60,645
– Non-controlling interests	– 非控股權益		152
Other comprehensive loss	其他全面虧損		
<i>Items that may be reclassified subsequently to profit or loss</i>	隨後可重新分類至損益之項目		
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額		58
Total comprehensive income for the year	年內全面收益總額		60,855
			52,638
			52,605
			33
			122
			52,760

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
 綜合損益及其他全面收益表(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
		Note 附註	
Total comprehensive income attributable to:	以下持有人應佔之全面收益總額：		
– Owners of the Company	– 本公司擁有人		
– Non-controlling interests	– 非控股權益		
		60,692	52,702
		163	58
		Cents	Cents
		分	分
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)	本公司擁有人應佔之溢利之每股盈利(按每股人民幣表示)		
– Basic and diluted	– 基本及攤薄	15	
		15.0	13.0

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

上文綜合損益及其他全面收益表應與隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2023 於 2023 年 12 月 31 日

		As at 31 December 於 12 月 31 日	
		2023 2023 年 RMB'000 人民幣千元	2022 2022 年 RMB'000 人民幣千元
	Note 附註		
Assets	資產		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	16	164,801
Investment properties	投資物業	17	7,159
Right-of-use assets	使用權資產	19	38,610
Intangible assets	無形資產	18	5,642
Deferred income tax assets	遞延所得稅資產	32	1,149
Total non-current assets	非流動資產總值		217,361
			102,080
Current assets	流動資產		
Inventories	存貨	21	68,653
Trade receivables	貿易應收款項	22	151,192
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	23	32,662
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	24	-
Other current assets	其他流動資產	25	100,590
Cash and cash in bank	現金及銀行現金	26	183,765
Total current assets	流動資產總值		536,862
			560,268
Total assets	資產總值		754,223
			662,348
Equity	權益		
Equity attributable to owners of the Company	本公司擁有人應佔權益		
Share capital	股本	27	359
Share premium	股份溢價	27	206,813
Other reserves	其他儲備	28	(13,555)
Retained earnings	保留盈利		251,143
			444,760
Non-controlling interests	非控股權益		795
			426,908
Total equity	權益總額		445,555
			632
			427,540

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

綜合財務狀況表(續)

As at 31 December 2023 於2023年12月31日

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
	Note 附註		
Liabilities	負債		
Current liabilities	流動負債		
Trade and other payables	貿易應付款項及其他應付款項	169,055	84,225
Borrowings	借款	90,000	135,000
Contract liabilities	合約負債	6,337	6,219
Current income tax liabilities	即期所得稅負債	7,505	4,055
Lease liabilities	租賃負債	1,122	201
Financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債	-	4,972
Deferred income tax liability	遞延所得稅負債	8,649	136
Total current liabilities	流動負債總額	282,668	234,808
Non-current liabilities	非流動負債	-	-
Borrowings	借款	26,000	-
Total liabilities	負債總額	308,668	234,808
Total equity and liabilities	權益及負債總額	754,223	662,348

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

上文綜合財務狀況表應與隨附附註一併閱讀。

The consolidated financial statements on pages 61 to 167 were approved by the Board of Directors on 28 March 2024 and were signed on its behalf by:

載列於第61至167頁之綜合財務報表已於2024年3月28日獲董事會批核，並由下列董事代表簽署：

JIN Jianxin
金建新
Executive director
執行董事

TIAN Dong
田東
Executive director
執行董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2023 截至2023年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔						Total equity 權益總額
		Share capital 股本	Share premium 股份溢價	Other reserves 其他儲備	Retained earnings 保留盈利	Subtotal 小計	Non-controlling interests 非控股權益	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
Balance at 1 January 2023	於2023年1月1日的結餘	359	249,653	(20,846)	197,742	426,908	632	427,540
Comprehensive income	全面收益							
Profit for the year	年內溢利	-	-	-	60,645	60,645	152	60,797
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額	-	-	47	-	47	11	58
		-	-	47	60,645	60,692	163	60,855
Transactions with owners in their capacity as owners	與擁有人以其作為擁有人的身份進行的交易							
Appropriation to statutory reserves	法定儲備撥款	-	-	7,244	(7,244)	-	-	-
Dividends paid	已付股息	-	(42,840)	-	-	(42,840)	-	(42,840)
Balance at 31 December 2023	於2023年12月31日的結餘	359	206,813	(13,555)	251,143	444,760	795	445,555

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

綜合權益變動表(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔					Non- controlling interests 非控股權益	Total equity 權益總額
		Share capital 股本	Share premium 股份溢價	Other reserves 其他儲備	Retained earnings 保留盈利	Subtotal 小計		
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
Balance at 1 January 2022	於2022年1月1日 的結餘	359	249,653	(26,148)	150,342	374,206	574	374,780
Comprehensive income	全面收益							
Profit for the year	年內溢利	-	-	-	52,605	52,605	33	52,638
Exchange differences on translation of foreign operations	換算海外業務之 匯兌差額	28	-	97	-	97	25	122
		-	-	97	52,605	52,702	58	52,760
Transactions with owners in their capacity as owners	與擁有人以其作為 擁有人的身份進行 的交易							
Appropriation to statutory reserves	法定儲備撥款	28	-	5,205	(5,205)	-	-	-
Balance at 31 December 2022	於2022年12月31日 的結餘	359	249,653	(20,846)	197,742	426,908	632	427,540

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes. 上文綜合權益變動表應與隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF CASH FLOW

綜合現金流量表

For the year ended 31 December 2023 截至2023年12月31日止年度

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
	Note 附註		
Cash flows from operating activities	經營活動所得現金流量		
Cash generated from operations	經營所得現金	78,698	117,381
Interest received	已收利息	2,398	1,925
Income tax paid	已付所得稅	(5,773)	(4,851)
Net cash generated from operating activities	經營活動所得現金淨額	75,323	114,455
Cash flows from investing activities	投資活動所得現金流量		
Purchase of property, plant and equipment	購買物業、廠房及設備	(83,142)	(18,688)
Purchase of intangible assets	購買無形資產	(1,834)	(923)
Payments for land use rights	土地使用權付款	-	(30,130)
Payments for financial instruments	金融工具付款	(35,590)	(332,450)
Proceeds from disposal of financial instruments	出售金融工具所得款項	151,326	133,195
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	-	1,217
Net cash generated from/(used in) investing activities	投資活動所得/(所用)現金淨額	30,760	(247,779)

CONSOLIDATED STATEMENT OF CASH FLOW (CONTINUED)

綜合現金流量表(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
		Note 附註	
Cash flows from financing activities	融資活動所得現金流量		
Proceeds from borrowings	借貸所得款項		138,500
Proceeds from discounted bills	貼現票據之所得款項		56,500
Repayment of borrowings	償還借貸		(140,000)
Interest paid	已付利息		(3,447)
Dividends paid	已付股息		-
Principal elements of lease payments	租賃付款本金部分	34(c)	(2,881)
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額		48,672
Net (increase)/decrease in cash and cash equivalents	現金及現金等價物(增加)/減少淨額		(84,652)
Cash and cash equivalents at beginning of the year	於年初現金及現金等價物		199,742
Effect of foreign exchange rate changes	外匯匯率變動之影響		12,799
Cash and cash equivalents at end of the year	於年末現金及現金等價物		127,889

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

上文綜合現金流量表應與隨附附註一併閱讀。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2023 截至2023年12月31日止年度

1 GENERAL INFORMATION

Kwung's Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 13 November 2018 as an exempted company with limited liability under the Companies Law (Cap. 22, law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in design and manufacturing of home fragrance related products in the People's Republic of China (the “**PRC**”), distributing the products to overseas and in the PRC. The ultimate controlling company is Equiom Fiduciary Services (Hong Kong) Limited. The ultimate controlling shareholder of the Group is Mr. Jin Jianxin (“**Mr. Jin**” or the “**Ultimate Controlling Shareholder**”).

The Company's share began to list on the Stock Exchange on 16 January 2020.

These consolidated financial statements are presented in thousands of Renminbi (“**RMB'000**”), unless otherwise stated.

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

Compliance with HKFRS and HKCO

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance cap.622. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss, which are carried at fair value.

1 一般資料

曠世控股有限公司(「**本公司**」)於2018年11月13日根據開曼群島公司法(第22章, 1961年第3號法例, 經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處地址為89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands。

本公司為一家投資控股公司。本公司與其附屬公司(統稱「**本集團**」)主要於中華人民共和國(「**中國**」)從事家居香薰相關產品的設計及製造, 並於海外及中國分銷產品。最終控股公司為Equiom Fiduciary Services (Hong Kong) Limited。本集團的最終控股股東為金建新先生(「**金先生**」或「**最終控股股東**」)。

本公司股份於2020年1月16日開始於聯交所上市。

除非另有說明, 否則該等綜合財務報表乃以人民幣千元(「**人民幣千元**」)呈列。

2 編製基準及會計政策變動

2.1 編製基準

遵守《香港財務報告準則》及香港《公司條例》

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**」)及香港《公司條例》第622章的披露規定予以編製。財務報表已根據歷史成本常規法編製, 並就按公平值列賬之重估按公平值計入損益的金融資產及金融負債作出修訂。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies

The accounting policies applied in the preparation of these consolidated financial statements are set out below. These accounting policies have been consistently applied to all the years presented unless otherwise mentioned.

(i) New standards, amendments and interpretation to existing standards which are effective in 2023 and adopted by the Group

The following new standards, amendments and interpretation to existing standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2023:

HKAS 1 and HKFRS Practice Statement 2 (Amendments)
香港會計準則第1號及香港財務報告準則實務報告第2號(修訂本)
HKAS 8 (Amendment)
香港會計準則第8號(修訂本)
HKAS 12 (Amendment)
香港會計準則第12號(修訂本)
HKAS 12 (Amendment)
香港會計準則第12號(修訂本)
HKFRS 17 and HKFRS 17 (Amendment)
香港財務報告準則第17號及香港財務報告準則第17號(修訂本)

The adoption of the new standards, amendments and interpretation to existing standards do not have a material impact on the consolidated financial statements of the Group.

2 編製基準及會計政策變動(續)

2.2 會計政策變動

編製綜合財務報表所應用的會計政策載列如下。除另有說明外，所應用之會計政策與過往年度所用者貫徹一致。

(i) 於2023年生效並獲本集團採納的新準則、現有準則之修訂本及詮釋

本集團已自2023年1月1日開始之財政年度首次採納以下新訂準則、現有準則之修訂本及詮釋：

Disclosure of Accounting Policies
會計政策的披露
Definition of Accounting Estimates
會計估計的定義
Deferred Tax related to Assets and Liabilities arising from a Single Transaction
與單一交易產生之資產及負債相關遞延稅項
International Tax Reform – Pillar Two Model Rules
國際稅務改革—支柱二立法模板
Insurance Contracts
保險合約

採用新準則、現有準則之修訂本及詮釋不會對本集團之綜合財務報表產生重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

- (ii) New standards, amendments, interpretation and improvements to existing standards which have not been adopted

The following standards, amendments, interpretation and improvements to existing standards, which are relevant to the operations of the Group, have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2024 but have not been early adopted by the Group:

New standards, amendments, interpretation and improvements 新準則、修訂本、詮釋及改進

		Effective for accounting periods beginning on or after 於以下日期開始或之 後之會計期間生效
HK Int 5 (Revised)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January, 2024
香港詮釋第5號(經修訂)	借款人對含有按要求償還條款之定期貸款之分類	2024年1月1日
HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current	1 January, 2024
香港會計準則第1號(修訂本)	負債分類為流動或非流動	2024年1月1日
HKAS 1 (Amendment)	Non-current Liabilities with Covenants	1 January, 2024
香港會計準則第1號(修訂本)	附帶契諾之非流動負債	2024年1月1日
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements	1 January, 2024
香港會計準則第7號及香港財務報告準則第7號(修訂本)	供應商融資安排	2024年1月1日
HKFRS 16 (Amendment)	Lease Liability in a Sale and Leaseback	1 January, 2024
香港財務報告準則第16號(修訂本)	售後租回之租賃負債	2024年1月1日
HKFRS 21(Amendment)	Lack of Exchangeability	1 January, 2025
香港財務報告準則第21號(修訂本)	缺乏可兌換性	2025年1月1日
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營公司之間出售或投入資產	待公佈

None of these is expected to have a significant effect on the consolidated financial statements of the Group.

預期上文所述各項不會對本集團之綜合財務報表產生重大影響。

2 編製基準及會計政策變動(續)

2.2 會計政策變動(續)

- (ii) 不獲採納之新準則、現有準則之修訂本、詮釋及改進

以下為與本集團營運相關之準則及現行準則之修訂本、詮釋及改進，已刊發而本集團必須在2024年1月1日或之後開始之會計期間採納，本集團並無提早採納任何該等準則、修訂本、詮釋及改進：

Effective for accounting periods beginning on or after 於以下日期開始或之 後之會計期間生效

		Effective for accounting periods beginning on or after 於以下日期開始或之 後之會計期間生效
HK Int 5 (Revised)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January, 2024
香港詮釋第5號(經修訂)	借款人對含有按要求償還條款之定期貸款之分類	2024年1月1日
HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current	1 January, 2024
香港會計準則第1號(修訂本)	負債分類為流動或非流動	2024年1月1日
HKAS 1 (Amendment)	Non-current Liabilities with Covenants	1 January, 2024
香港會計準則第1號(修訂本)	附帶契諾之非流動負債	2024年1月1日
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements	1 January, 2024
香港會計準則第7號及香港財務報告準則第7號(修訂本)	供應商融資安排	2024年1月1日
HKFRS 16 (Amendment)	Lease Liability in a Sale and Leaseback	1 January, 2024
香港財務報告準則第16號(修訂本)	售後租回之租賃負債	2024年1月1日
HKFRS 21(Amendment)	Lack of Exchangeability	1 January, 2025
香港財務報告準則第21號(修訂本)	缺乏可兌換性	2025年1月1日
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營公司之間出售或投入資產	待公佈

None of these is expected to have a significant effect on the consolidated financial statements of the Group.

預期上文所述各項不會對本集團之綜合財務報表產生重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES

3.1 Material accounting policies

3.1.1 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated using the straight-line method to allocate their costs to their residual values, over their estimated useful lives as follows:

Buildings	5–30 years
樓宇	5至30年
Transportation equipment	5 years
運輸設備	5年
Electronic equipment	3–5 years
電子設備	3至5年
Machinery	5–10 years
機械	5至10年
Furniture	5 years
傢具	5年
Leasehold improvements	Shorter of unexpired lease term and estimated useful lives
租賃裝修	租賃未屆滿期限及彼等估計可使用年期之較短者

3 會計政策

3.1 重大會計政策

3.1.1 物業、廠房及設備

物業、廠房及設備按歷史成本減折舊列賬。歷史成本包括收購有關項目直接應佔的開支。

後續成本僅在與該項目相關的未來經濟利益很可能會流入本集團及能可靠地計量項目成本的情況下，才會計入資產的賬面值或確認為獨立的資產(如適當)。入賬列為單獨資產的任何部分的賬面值於替換時終止確認。所有其他維修及保養成本於其產生的報告期間自損益扣除。

折舊乃於其估計可使用年期(如下)內採用直線法將其成本分攤至其剩餘價值計算：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.1 Material accounting policies (Continued)

3.1.1 Property, plant and equipment (Continued)

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised within "Other gain/(losses) – net" in the consolidated statement of profit or loss and other comprehensive income.

3.1.2 Investment properties

Investment properties are held for long-term rental yields and are not occupied by the Group. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are also carried at cost less accumulated depreciation and impairment losses.

3.1.3 Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable 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.

3 會計政策(續)

3.1 重大會計政策(續)

3.1.1 物業、廠房及設備(續)

於各報告期末，審查資產的剩餘價值和可使用年期，並作出適當的調整。

如果資產的賬面值高於其估計可收回金額，則即時將資產的賬面值撇減至其可收回金額。

處置收益和虧損乃通過比較所得款項與賬面值釐定，並於綜合損益及其他全面收益表內「其他收益／(虧損)－淨額」確認。

3.1.2 投資物業

投資物業按長期租金收益率持有，且並無由本集團佔有。投資物業初步按成本計量，包括相關交易成本及借款成本(如適用)。其後彼等按成本減累計折舊及減值虧損列賬。

3.1.3 存貨

原材料及庫存、在建工程及製成品按成本與可變現淨值的較低者入賬。成本包括直接物料、直接勞工及按正常營運能力分配的可變及固定雜項支出的合適比例。成本按加權平均成本分配至個別存貨項目。已購買存貨成本於扣除回佣及折扣後確定。可變現淨值為日常業務中的估計售價減去完成的估計成本和作出銷售的必要估計成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.1 Material accounting policies (Continued)

3.1.4 Trade and other receivables

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

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

3.1.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand and banks, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.1.6 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3 會計政策(續)

3.1 重大會計政策(續)

3.1.4 貿易及其他應收款項

貿易應收款項為於日常業務過程中就出售商品或提供服務應收客戶的款項。倘貿易及其他應收款項預計將於一年或以內(或如果時間較長,則於正常的業務運營週期內)收回,則將其歸類為流動資產。否則,呈列為非流動資產。

貿易及其他應收款項以公平值初始確認,其後採用實際利率法以攤銷成本減減值撥備計量。

3.1.5 現金及現金等價物

現金及現金等價物包括手頭現金及銀行現金、存放於金融機構的通知存款及其他短期高流通性投資(原定期限為三個月或以下,隨時可轉換為已知金額的現金,且價值變動風險不大者)。

3.1.6 貿易及其他應付款項

貿易及其他應付款項指財政年末前向本集團提供商品及服務而未獲支付的負債。倘付款並無於報告期後12個月內到期,貿易及其他應付款項呈列為流動負債。貿易及其他應付款項以公平值初步確認,隨後採用實際利率法按攤銷成本計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.1 Material accounting policies (Continued)

3.1.7 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries/regions where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

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

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

3 會計政策(續)

3.1 重大會計政策(續)

3.1.7 即期及遞延所得稅

期內所得稅開支或抵免指根據各司法權區的適用所得稅率按即期應課稅收入支付的稅項，而有關所得稅率經暫時差額及未動用稅項虧損所致的遞延稅項資產及負債變動調整。

即期所得稅

即期所得稅開支根據報告期末本公司的附屬公司經營業務且產生應課稅收入所在的國家／區域已頒佈或已實質頒佈的稅法計算。管理層就適用稅務法例以詮釋為準的情況定期評估報稅表的狀況，並在適用情況下按預期須向稅務機構繳納的稅款確定撥備。

遞延所得稅

遞延所得稅採用負債法就資產及負債的稅基與彼等賬面值之間的暫時差額於綜合財務報表中悉數撥備。然而，倘遞延稅項負債來自於商譽的初步確認，則其不會被確認。倘遞延所得稅來自於交易中(業務合併除外)對資產或負債的初步確認，而在交易時不影響會計處理或應課稅損益，則亦不會入賬。遞延所得稅採用於報告期末前已頒佈或已實際頒佈，並在有關遞延所得稅資產實現或遞延稅負債結算時預期將會適用的稅率(及法例)而釐定。

遞延稅項資產僅在未來應課稅金額將可用於動用該等暫時差額及虧損時予以確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.1 Material accounting policies (Continued)

3.1.7 Current and deferred income tax (Continued)

Deferred income tax (Continued)

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3 會計政策(續)

3.1 重大會計政策(續)

3.1.7 即期及遞延所得稅(續)

遞延所得稅(續)

倘本公司能控制撥回暫時差額的時間及該等差額可能不會於可見將來撥回，則不會就外國業務投資賬面值與稅基之間的暫時差額確認遞延稅項負債及資產。

當有可依法強制執行的權利將即期稅項資產與負債抵銷，而遞延稅項結餘與同一稅務機構相關時，則可將遞延稅項資產與負債抵銷。當實體有可依法強制執行抵銷權利且有意按淨額基準結清或同時變現資產及清償負債時，則即期稅項資產與稅項負債抵銷。

即期及遞延稅項於損益中確認，惟有關於其他全面收益或直接於權益確認的項目除外。在此情況下，稅項亦分別於其他全面收益或直接於權益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.1 Material accounting policies (Continued)

3.1.8 Revenue recognition

(i) Sale of goods – wholesale

The Group manufactures and sells a range of candles, home fragrance and home accessories in the wholesale market. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The products are sold with retrospective volume rebates based on aggregate sales over a 12 months period to certain customers. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the rebates, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The revenue from these sales is normally billable immediate upon the delivery of the products. No element of financing is deemed present as the sales are made with no credit term, which is consistent with market practice. The Group's obligation to replace faulty products under the standard warranty terms is assessed and recognised as a provision.

3 會計政策(續)

3.1 重大會計政策(續)

3.1.8 收入確認

(i) 貨品銷售－批發

本集團於批發市場製造及出售一系列蠟燭、家居香薰及家居飾品。當產品的控制權轉移時(即產品已交付予批發商，批發商對銷售產品的渠道及價格有全權決定權，且概無可影響批發商接納貨品的未履行責任時)，則確認為銷售。當產品運送到指定地點時交付即告完成。當批發商按照銷售合約接納產品、或接納條款已失效，或本集團有客觀證據證明所有接納標準均已達成時，產品陳舊過時及遺失的風險轉由批發商承擔。

根據總計銷售超過12個月期間可追溯批量回扣向若干客戶銷售產品。該等銷售的收入乃基於合約定明的價格，經扣除估計批量折扣後確認。利用累積的經驗採用預計價值法估計回扣及就回扣計提撥備，且收入僅於重大撥回極大可能不會產生時確認。該等銷售產生之收入一般於產品交付後即時支付。概無財務因素被視作當前的事宜，因為該銷售無信貸期，與市場慣例一致。本集團根據標準擔保期限替換錯誤產品之義務獲評估並確認為撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.1 Material accounting policies (Continued)

3.1.8 Revenue recognition (Continued)

(i) Sale of goods – wholesale (Continued)

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

(ii) Sale of goods – retail

The Group operates some stores selling candles, home fragrance and home accessories. Revenue from the sale of goods is recognised when a Group entity sells a product to the customer.

Payment of the transaction price is due immediately when the customer purchases the products and takes delivery in store. It is the Group's policy to sell its products to the end customer with a right of return within 7 days. Therefore, a refund liability (included in trade and other payables) and a right to the returned goods (included in other current assets) are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

3 會計政策(續)

3.1 重大會計政策(續)

3.1.8 收入確認(續)

(i) 貨品銷售－批發(續)

當貨品交付時確認應收款項，此乃代價成為無條件的時點，原因為有關款項只須經過一段時間方會到期。

(ii) 貨品銷售－零售

本集團經營若干店鋪出售蠟燭、家居香薰及家居飾品。銷售貨品產生的收入於本集團實體向客戶銷售產品時確認。

當客戶購買產品並於店鋪內交付時，交易價格即時到期支付。向終端客戶銷售其產品於7日內有退款權乃本集團之政策。因此，退款負債(計入貿易及其他應付款項內)及退貨權(計入其他流動資產)就將予退款之產品進行確認。於銷售時按組合水準(預期價值方法)使用累積經驗估計有關退款。由於退款的產品數量近年持續穩定，已確認累積收入之重大撥回極大可能不會產生。於各報告日期重新評估上述假設之有效性及對退款金額的估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.1 Material accounting policies (Continued)

3.1.8 Revenue recognition (Continued)

(iii) Accounting for costs to fulfil a contract

As the transportation activities occur before the customer obtains control of related products, they are not separate performance obligation, therefore, related costs are contract fulfil cost which are capitalised as assets according to HKFRS 15. These assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods to which the assets relate. Related assets are not material at the balance sheet date due to the short period of transportation and are charged into the cost of sales directly as incurred.

(iv) Presentation of contract assets and liabilities

Under HKFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue before being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset. Similarly, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

3 會計政策(續)

3.1 重大會計政策(續)

3.1.8 收入確認(續)

(iii) 履行合約之成本核算

由於運輸活動於客戶取得有關產品控制權前發生，故並非獨立履約責任，因此，有關成本為合約履行成本，根據香港財務報告準則第15號資本化為資產。該等資產會有系統地與向客戶轉讓與資產相關的貨品同步攤銷。由於運輸期較短，於資產負債表日期，有關資產並不重大，其在其產生時直接於銷售成本扣除。

(iv) 呈列合約資產及負債

根據香港財務報告準則第15號，應收款項僅於本集團有無條件權利收取代價時方會確認。倘本集團於擁有無條件權利收取合約中已承諾貨品及服務代價前確認相關收入，則收取代價的權利分類為合約資產。同樣，於本集團確認相關收入前，合約負債(並非應付款項)於客戶支付代價或按合約須支付代價而有關金額已經到期時確認。就與客戶訂立的單一合約而言，將呈列合約資產淨值或合約負債淨額。就多份合約而言，非相關合約的合約資產及合約負債並非按淨額基準呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.1 Material accounting policies (Continued)

3.1.8 Revenue recognition (Continued)

(v) *Assets recognised from incremental costs to obtain a contract*

The Group applies the practical expedient in paragraph 94 of HKFRS 15 and recognises the incremental costs of obtaining contracts such as sales commissions as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

3.1.9 Investments and other financial assets

(i) *Classification*

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

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

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

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

3 會計政策(續)

3.1 重大會計政策(續)

3.1.8 收入確認(續)

(v) *自取得合約的遞增成本確認資產*

本集團應用香港財務報告準則第15號第94段之實際權宜措施，倘本集團本應確認的資產攤銷期為一年或以下，則取得合約產生之遞增成本(如銷售佣金)在其產生時確認為開支。

3.1.9 投資及其他金融資產

(i) *分類*

本集團將其金融資產分為以下計量類別：

- 其後按公平值(計入其他全面收益或計入損益)計量；及
- 按攤銷成本計量。

分類取決於實體管理金融資產的商業模式以及現金流之合約條款而定。

對於以公平值計量的資產，其收益及虧損計入損益或其他全面收益。對於非交易性的權益工具投資，其收益及虧損之計量將取決於本集團在初始確認時是否作出不可撤銷的選擇而將股本投資指定為按公平值計入其他全面收益列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.1 Material accounting policies (Continued)

3.1.9 Investments and other financial assets (Continued)

(i) Classification (Continued)

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

(ii) Recognition and derecognition

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

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss of the consolidated statement of profit or loss and other comprehensive income.

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

3 會計政策(續)

3.1 重大會計政策(續)

3.1.9 投資及其他金融資產(續)

(i) 分類(續)

僅當管理該等資產之業務模式發生變化時，本集團才對債券投資進行重分類。

(ii) 確認及終止確認

常規方法購買及出售之金融資產於交易日確認，而交易日是指本集團承諾購買或出售該資產的日期。當收取金融資產現金流量之權利經已到期或經已轉讓，且本集團已將擁有權之所有風險及回報轉讓時，即終止確認金融資產。

(iii) 計量

於初步確認時，本集團以公平值(倘該金融工具並非按公平值計入損益)直接歸屬於收購金融資產的交易成本計量金融資產。按公平值計入損益的金融資產的交易成本於綜合損益及其他全面收益表中的損益支銷。

在確定具有嵌入衍生工具的金融資產的現金流量是否僅為支付本金和利息時，需從金融資產的整體進行考慮。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.1 Material accounting policies (Continued)

3.1.9 Investments and other financial assets (Continued)

(iii) Measurement (Continued)

Debt instruments

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

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

3 會計政策(續)

3.1 重大會計政策(續)

3.1.9 投資及其他金融資產(續)

(iii) 計量(續)

債務工具

債務工具之後續計量取決於本集團管理資產之業務模式及該等資產之現金流量特徵。本集團將其債務工具分為三個計量類別：

- 攤銷成本：持作收回合約現金流量的資產，倘該等現金流量僅指支付的本金及利息，則按攤銷成本計量。該等金融資產的利息收入採用實際利率法，並在財務收益中確認。由於終止確認產生的任何收益或虧損，均直接在損益中確認並於其他收益／(虧損)中呈列。減值虧損則於綜合損益及其他全面收益表之損益內作為獨立項目呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.1 Material accounting policies (Continued)

3.1.9 Investments and other financial assets (Continued)

(iii) Measurement (Continued)

Debt instruments (Continued)

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

3 會計政策(續)

3.1 重大會計政策(續)

3.1.9 投資及其他金融資產(續)

(iii) 計量(續)

債務工具(續)

- 按公平值計入其他全面收益(「按公平值計入其他全面收益」): 持作收回合約現金流量及出售金融資產的資產, 倘該等資產現金流量僅指支付本金及利息, 則按公平值計入其他全面收益計量。賬面值的變動乃計入其他全面收益, 惟於損益確認之減值收益或虧損之確認、利息收益及外匯收入及虧損除外。金融資產終止確認時, 先前於其他全面收益確認的累計收入或虧損由權益重新分類至損益並確認為其他收益/(虧損)。該等金融資產的利息收入乃按實際利率法計入財務收益。匯兌收益及虧損在其他收益/(虧損)中呈列, 而減值開支則於綜合損益及其他全面收益表之損益內作為獨立項目呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.1 Material accounting policies (Continued)

3.1.9 Investments and other financial assets (Continued)

(iii) Measurement (Continued)

Debt instruments (Continued)

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

Equity instruments

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

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

3 會計政策(續)

3.1 重大會計政策(續)

3.1.9 投資及其他金融資產(續)

(iii) 計量(續)

債務工具(續)

- 按公平值計入損益(「**按公平值計入損益**」): 不符合以攤銷成本或按公平值計入其他全面收益標準的資產按公平值計入損益計量。後續以按公平值計入損益計量的債務投資的收益或虧損在損益中確認, 且在產生期間以淨額列示於其他收益/(虧損)。

權益工具

本集團所有權益工具後續以公平值計量。如果本集團管理層選擇將權益工具的公平值損益計入其他全面收益, 則終止確認投資之後不可再將公平值損益重新分類至損益。當本集團取得收取付款之權利時, 該類投資的股息將繼續在損益中作為其他收入予以確認。

按公平值計入損益的金融資產的公平值變動在綜合損益及其他全面收益表之損益內之其他收益/(虧損)內確認(如適用)。按公平值計入其他全面收益的權益投資的減值虧損(及減值虧損撥回)與其他公平值變動未分開列示。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.1 Material accounting policies (Continued)

3.1.9 Investments and other financial assets (Continued)

(iv) Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instrument carried at amortised cost and financial assets at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 4.1.1 details how the Group determines whether there has been a significant increase in credit risk.

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

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

3 會計政策(續)

3.1 重大會計政策(續)

3.1.9 投資及其他金融資產(續)

(iv) 金融資產減值

對於以攤銷成本計量的債務工具和按公平值計入其他全面收益的金融資產，本集團就預期信貸虧損做出前瞻性評估。應用之減值方法取決於信貸風險是否顯著增加。附註4.1.1詳述本集團如何釐定是否存在信貸風險顯著增加。

對於貿易應收款項，本集團根據香港財務報告準則第9號應用簡化方式，其規定預期全期虧損於應收款項之初步確認中確認。

其他應收款項之減值按12個月預期信貸虧損或全期預期信貸虧損計量，視乎自初步確認起是否出現重大信貸風險增加。倘自初步確認起，應收款項已出現重大信貸風險增加，則減值會按全期預期信貸虧損計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.1 Material accounting policies (Continued)

3.1.10 Leases

(i) *The Group is the lessee*

The Group leases properties and land use right in the PRC as lessee. Rental contracts of properties are typically made annually on a recurring basis but may have extension options as described below. The Group's interests in land use rights represent prepaid operating lease payments for land located in the PRC and the lease term is 50 years, which is included in right-of-use assets.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated or amortised over the shorter of the asset's useful life and the lease term on a straight-line basis.

3 會計政策(續)

3.1 重大會計政策(續)

3.1.10 租賃

(i) 本集團為承租人

本集團(作為承租人)於中國租賃物業及土地使用權。物業的租約一般每年按經常性基準進行，惟可能具以下延期選擇權。本集團的土地使用權權益指位於中國的土地的預付經營租賃付款，而租賃期為50年，計入使用權資產中。

於本集團預期可使用租賃資產之日，應確認一項使用權資產及相應負債。每筆租賃付款均在相應負債與財務成本之間分攤。財務成本在租賃期限內於損益扣除，以使各期負債餘額產生的利息率保持一致。使用權資產按照直線法在資產使用年期與租賃期兩者中較短的一個期間內計提折舊或攤銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.1 Material accounting policies (Continued)

3.1.10 Leases (Continued)

(i) *The Group is the lessee (Continued)*

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group, as a lessee, exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liabilities;

3 會計政策(續)

3.1 重大會計政策(續)

3.1.10 租賃(續)

(i) 本集團為承租人(續)

租賃產生的資產及負債在現值基礎上進行初始計量。租賃負債包括下列租賃付款的淨現值：

- 固定付款(包括實質固定付款)，扣除任何應收租賃激勵；
- 取決於指數或比率的可變租賃付款；及
- 終止租賃的罰款金額，前提是租賃期反映出本集團(作為承租人)將行使終止租賃選擇權。

租賃付款按照租賃包括的利率折現。倘無法確定該利率，則應採用承租人的增量借款利率，即承租人為在類似經濟環境下獲得價值相近的資產，以類似條款及條件借入資金而必須支付的利率。

使用權資產按成本計量，其中成本包括以下項目：

- 租賃負債初始計量金額；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.1 Material accounting policies (Continued)

3.1.10 Leases (Continued)

(i) *The Group is the lessee (Continued)*

- Any lease payments made at or before the commencement date, less any lease incentive received;
- Any initial direct costs; and
- Restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss of the consolidated statement of profit or loss and other comprehensive income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise equipment and small items of office furniture.

Extension options are only included in the lease term if the lease is reasonably certain to be extended. The Group determines the lease term as the non-cancellable period of a lease, together with both:

- Periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- Periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

3 會計政策(續)

3.1 重大會計政策(續)

3.1.10 租賃(續)

(i) 本集團為承租人(續)

- 於租賃期開始日或之前支付的租賃付款，扣除任何已收租賃激勵；
- 任何初始直接費用；及
- 復原成本。

與短期租賃及低價值資產租賃相關的付款按照直線法於綜合損益及其他全面收益表之損益中確認為開支。短期租賃乃指租賃期限為12個月或以下的租賃。低價值資產包括設備及小型辦公室傢俬。

延期選擇權僅會在合理肯定租約將會延長時計入租期。本集團以不可撤銷的租賃期間確定租賃期，包括：

- 延長租賃的選擇權所涵蓋的期間(倘承租人可合理確定將行使該選擇權)；及
- 終止租賃選擇權所涵蓋的期間(倘承租人可合理確定不會行使該選擇權)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.1 Material accounting policies (Continued)

3.1.10 Leases (Continued)

(ii) *The Group is the lessor*

When assets are leased out under operating lease, the assets are included in the consolidated statement of financial position based on the nature of the assets. Rental income is recognised in profit and loss of the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the term of the lease.

3.2 Other accounting policies

3.2.1 Subsidiaries

3.2.1.1 Consolidation

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

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

3 會計政策(續)

3.1 重大會計政策(續)

3.1.10 租賃(續)

(ii) 本集團為出租人

當資產根據經營租賃出租時，資產根據其性質載入綜合財務狀況表。租金收入以直線法於租賃期內在綜合損益及其他全面收益表之損益內確認。

3.2 其他會計政策

3.2.1 附屬公司

3.2.1.1 合併

附屬公司指本集團對其擁有控制權的所有實體(包括結構性實體)。倘本集團就其參與實體所得可變回報承擔風險或擁有權利並能通過其對有關實體活動的主導權影響該等回報，則本集團對有關實體擁有控制權。附屬公司自控制權轉移至本集團之日起合併入賬，自控制權終止之日起停止合併入賬。

公司間交易、結餘、集團公司間交易的未變現收益均予以對銷。未變現虧損亦予以對銷，除非交易提供已轉讓資產之減值證據。附屬公司之會計政策已作出必要變動以確保與本集團採納之政策一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.2 Other accounting policies (Continued)

3.2.1 Subsidiaries (Continued)

3.2.1.1 Consolidation (Continued)

(a) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

3 會計政策(續)

3.2 其他會計政策(續)

3.2.1 附屬公司(續)

3.2.1.1 合併(續)

(a) 業務合併

本集團採用收購會計法將所有業務合併入賬，而不論收購權益工具或其他資產。收購附屬公司之轉讓代價包括：

- 所轉讓資產之公平值
- 所收購業務先前擁有人產生之負債
- 本集團發行之股權
- 或然代價安排產生之任何資產或負債之公平值；及
- 於附屬公司任何已存在股權之公平值。

除少數特殊情況外，於業務合併收購之可識別資產以及承擔之負債及或然負債，初步按收購日期之公平值計量。本集團按逐項收購基準確認被收購實體任何非控股權益，以公平值或以非控股權益應佔被收購實體可識別資產淨值的比例計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.2 Other accounting policies (Continued)

3.2.1 Subsidiaries (Continued)

3.2.1.1 Consolidation (Continued)

(a) Business combinations (Continued)

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

3 會計政策(續)

3.2 其他會計政策(續)

3.2.1 附屬公司(續)

3.2.1.1 合併(續)

(a) 業務合併(續)

收購相關成本於產生時支銷。

所轉讓代價、被收購實體之任何非控股權益金額，及任何先前於被收購實體之股權於收購日期之公平值超過所收購可識別資產淨值公平值之差額以商譽列賬。倘該等金額低於所收購業務可識別資產淨值之公平值，則其差額直接於損益內確認為議價購入。

凡遞延結清任何部分現金代價者，在將來應付金額會折現至其於交易日期之現值。所用之折現率是實體之增量借款利率，意指在可比之條款和條件下向獨立出資人取得類似借貸之利率。或然代價被分類為權益或金融負債。分類為金融負債之金額其後按公平值重新計量而公平值變動於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.2 Other accounting policies (Continued)

3.2.1 Subsidiaries (Continued)

3.2.1.1 Consolidation (Continued)

(a) Business combinations (Continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

(b) Changes in ownership interests in subsidiaries without change of control

Transaction with non-controlling interests that do not result in loss of control are accounted for as equity transaction – that is, as transactions with the owner of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

3 會計政策(續)

3.2 其他會計政策(續)

3.2.1 附屬公司(續)

3.2.1.1 合併(續)

(a) 業務合併(續)

倘業務合併分階段進行，收購方之前於收購對象持有的股權於收購日之賬面值，於收購日按公平值重新計量。重新計量產生的任何盈虧在損益中確認。

(b) 並無控制權變動的附屬公司所有權權益變動

不會導致失去控制權的與非控股權益的交易入賬列為權益交易，即以擁有人身份與附屬公司擁有人進行的交易。所支付任何代價的公平值與相關應佔收購附屬公司淨資產的賬面值之間的差額記錄於權益中。向非控股權益出售的損益亦記錄於權益中。

(c) 出售附屬公司

當本集團不再擁有控制權，在實體的任何保留權益會按失去控制權當日的公平值重新計量，賬面值變動在損益中確認。公平值為就保留權益的後續入賬而言的初始賬面值，作為聯營公司、合營企業或融資產。此外，之前在其全面收益中確認的任何數額猶如本集團直接出售相關資產或負債。這意味著之前在其他全面收益中確認的數額重新分類至損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.2 Other accounting policies (Continued)

3.2.1 Subsidiaries (Continued)

3.2.1.2 Separate financial statements

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

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

Investments in subsidiaries are also assessed for impairment in accordance with Note 3.2.5 and written down to their recoverable amounts.

3.2.2 Segment reporting

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

3 會計政策(續)

3.2 其他會計政策(續)

3.2.1 附屬公司(續)

3.2.1.2 獨立財務報表

於附屬公司的投資乃按成本扣除減值列賬。成本包括投資直接應佔成本。附屬公司業績由本公司按已收及應收股息入賬。

倘於附屬公司的投資產生的股息超過附屬公司於宣派股息期間的全面總收入或倘該投資於單獨財務報表內的賬面值超過投資對象資產淨值(包括商譽)於綜合財務報表內的賬面值，則於收到該等股息時須對該等投資進行減值測試。

於附屬公司的投資亦根據附註3.2.5作減值評估，並撇減至可收回金額。

3.2.2 分部報告

經營分部的呈報方式與向主要經營決策者內部報告的方式一致。主要經營決策者(「**主要經營決策者**」)為作出戰略決策的執行董事，負責分配資源及評估經營分部表現。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.2 Other accounting policies (Continued)

3.2.3 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

3 會計政策(續)

3.2 其他會計政策(續)

3.2.3 外幣換算

(a) 功能及列報貨幣

本集團各實體的財務報表所列項目使用實體運營所在主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以本公司功能及本集團列報貨幣人民幣呈列。

(b) 交易及結餘

外幣交易按交易日的現行匯率或重新計量項目的估值換算為功能貨幣。該等交易結算產生的外匯收益和虧損及以年末匯率換算外幣計值的貨幣資產及負債產生的外匯收益和虧損均於綜合損益及其他全面收益表內確認為「其他收益／(虧損)－淨額」。

以外幣為單位按公平值計量之非貨幣性項目，按照確定公平值當日之匯率換算。按公平值列賬的資產及負債之換算差額呈報為公平值盈虧之一部分。例如，非貨幣性資產及負債(例如按公平值計入損益賬的權益)的換算差額在損益內列報為公平值盈虧的一部分。非貨幣性資產(例如分類為按公平值計入其他全面收益之權益)的換算差額在其他全面收益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.2 Other accounting policies (Continued)

3.2.3 Foreign currency translation (Continued)

(c) Group companies

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

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

3 會計政策(續)

3.2 其他會計政策(續)

3.2.3 外幣換算(續)

(c) 集團公司

其功能貨幣與列報貨幣人民幣不同的境外業務(當中沒有惡性通貨膨脹經濟的貨幣)的業務和財務狀況按如下方法換算為列報貨幣:

- 每份列報的財務狀況表內的資產和負債按該財務狀況表日期的收市匯率換算;
- 每份損益表及全面收益表內的收入及開支按平均匯率換算(除非此匯率並不代表交易日期現行匯率的累計影響的合理約數;在此情況下,收支項目於交易日期換算);及
- 所有由此產生的匯兌差額在其他全面收益表中確認。

於編製綜合賬目時,換算境外實體任何投資淨額以及指定為該等資產之對沖項目之借貸及其他金融工具產生之匯兌差額於其他全面收益內確認。於出售境外業務或償還組成投資淨額一部分之任何借貸時,相關匯兌差額重新分類至損益,作為出售損益之一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.2 Other accounting policies (Continued)

3.2.3 Foreign currency translation (Continued)

(c) Group companies (Continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3.2.4 Intangible assets

(a) Patent

Patent is shown at historical cost. It has a finite useful life of 5 to 10 years and is subsequently carried at cost less accumulated amortisation and impairment losses.

When determining the length of useful life of a patent, the Group takes into account the estimated period during which such asset can bring economic benefits to the Group.

(b) Software

Acquired software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 to 10 years.

Considering the acquired software is well-developed, off the shelf software with no contractual terms, and the Group can use the software as long as it can meet the Group's business needs, based on the current functionalities equipped by the software and the daily operation needs, the Group considers a useful life of 5–10 years is the best estimation under current business needs.

3 會計政策(續)

3.2 其他會計政策(續)

3.2.3 外幣換算(續)

(c) 集團公司(續)

收購境外業務產生的商譽及公平值調整視為該境外業務的資產和負債，並按收市匯率換算。

3.2.4 無形資產

(a) 專利

專利按歷史成本列賬。專利的特定可使用年期為5至10年，其後按成本減累計攤銷及減值虧損列賬。

於確定專利的使用期限時，本集團計及有關資產可為本集團帶來經濟利益的估計期間。

(b) 軟件

已收購軟件的成本按收購及特定軟件投入使用所產生的成本為基準資本化。該等成本於彼等估計可使用年期(5至10年)攤銷。

考慮到已收購軟件開發成熟，並無合約條款的現成軟件，本集團可用軟件應付本集團的業務需要，根據軟件裝備的現時功能及日常營運需要，本集團認為5年至10年的使用期限為根據現時業務需要的最佳預期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.2 Other accounting policies (Continued)

3.2.5 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.2.6 Offsetting financial instruments

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

3.2.7 Share capital

Ordinary shares are classified as equity.

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

3 會計政策(續)

3.2 其他會計政策(續)

3.2.5 非金融資產減值

未有確定使用年限的商譽及無形資產毋須攤銷，惟須每年進行減值測試，或如出現任何事件或情況轉變而顯示其可能出現減值，則更密切地進行檢討。其他資產須於發生事件或情況變動顯示其賬面值可能無法收回時進行減值測試。減值虧損按資產賬面值超出其可收回金額之差額確認。可收回金額為資產公平值減銷售成本及使用價值的較高者。就評估減值而言，資產按獨立可確定現金流入的最低水平組合(現金產生單位)，大部分是獨立於其他資產或資產組合的現金流入。出現減值的非金融資產(商譽除外)會於各報告期末檢討其減值撥回之可能性。

3.2.6 互相抵銷的金融工具

當有法定強制性權利可抵銷已確認金額，並有意按淨額基準結清或同時確認資產及結清負債時，金融資產及負債可互相抵銷，並在綜合財務狀況表呈報其淨額。法定強制性權利必須不得依賴未來事件，而在一般業務過程中以及倘若相關公司或對手方一旦出現違約、無償債能力或破產時，產生強制執行性。

3.2.7 股本

普通股被分類為權益。

直接歸屬於發行新股或期權的新增成本在權益中列為所得款項的減少(扣除稅項)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.2 Other accounting policies (Continued)

3.2.8 Derivative financial instruments

The Group does not have any derivative financial instruments that qualify for hedge accounting.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of any derivative financial instruments are recognised immediately in the profit or loss, except where the derivative financial instruments are qualified for hedge accounting.

3.2.9 Employee benefits

(i) Pension obligations

The Group only operates defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the governments.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred.

3 會計政策(續)

3.2 其他會計政策(續)

3.2.8 衍生金融工具

本集團並無任何符合對沖會計的衍生金融工具。

衍生金融工具初步按於衍生合約訂立日期之公平值確認，其後按其公平值重新計量。任何衍生金融工具的公平值變化(倘不符合對沖會計的衍生金融工具除外)會即時於損益中確認。

3.2.9 僱員福利

(i) 退休金責任

本集團僅管理界定供款退休計劃。根據中國相關規則及法規，本集團的中國僱員須參加中國有關市級與省級政府組織的多項界定供款退休福利計劃，據此，本集團及其中國僱員須每月按僱員薪金的特定百分比向該等計劃供款。市級與省級政府承諾承擔根據上述計劃應付的全部現有及未來中國退休僱員的退休福利責任。除每月供款外，本集團無須就其僱員承擔退休及其他退休後福利的支付責任。該等計劃的資產與本集團其他資產分開持有，並由政府獨立管理的基金保管。

本集團向界定供款退休計劃作出的供款於產生時列作開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.2 Other accounting policies (Continued)

3.2.9 Employee benefits (Continued)

(ii) *Housing funds, medical insurances and other social insurances*

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plans. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(iii) *Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the relevant Group entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

3 會計政策(續)

3.2 其他會計政策(續)

3.2.9 僱員福利(續)

(ii) *住房公積金、醫療保險及其他社會保險*

本集團的中國僱員有權參與政府承辦的多項住房公積金、醫療保險及其他社會保險計劃。本集團每月按該等僱員薪金的若干百分比向該等基金作出供款(受若干上限規限)。本集團就上述基金的責任限於每年的應付供款。對住房公積金、醫療保險及其他社會保險的供款於產生時列作開支。

(iii) *離職福利*

本集團在正常退休日期前解僱僱員或僱員自願接受離職以換取該等福利時支付離職福利。本集團於以下日期(以較早者為準)確認離職福利：(a)本集團無法收回提供該等福利之日；及(b)相關集團實體確認重組成本屬香港會計準則第37號範圍內並涉及支付離職福利之日。在提出要約以鼓勵自願離職的情況下，離職福利乃根據預期接受要約的僱員人數計量。自報告期末起計逾12個月後到期應付的福利將折現至現值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.2 Other accounting policies (Continued)

3.2.10 Provisions

Provisions are not recognised for future operating losses.

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

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

3.2.11 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account: the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3 會計政策(續)

3.2 其他會計政策(續)

3.2.10 撥備

未來經營虧損不作撥備確認。

倘出現多項類似的責任時，則履行該責任導致資源外流的可能性，須對組別內的全部責任作出整體考慮而予以釐定。即使在同一組別內任何一項責任會出現資源外流的可能性很低，亦須作出撥備確認。

撥備乃採用除稅前利率按預期償付責任所需開支(反映當時市場對該責任特定的貨幣時間值及風險的評估)的現值計量。隨時間推移而增加之撥備被確認為利息費用。

3.2.11 每股盈利

(i) 每股基本盈利

每股基本盈利按本公司擁有人應佔溢利，不包括除普通股外的服務股權之任何成本除以於財政年度發行在外的普通股加權平均數計算，就年內發行之普通股之紅利元素作出調整以及並不包括庫存股份。

(ii) 每股攤薄盈利

每股攤薄盈利調整釐定每股基本盈利時所使用之數字以計及與潛在攤薄普通股有關之利息及其他融資成本之除所得稅後影響；及假設所有潛在攤薄普通股換股，則將為已發行之額外普通股加權平均數。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

3 ACCOUNTING POLICIES (Continued)

3.2 Other accounting policies (Continued)

3.2.12 Interest income

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

3.2.13 Dividend distribution

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

3.2.14 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants related to assets refer to government grants which are obtained by the Group for the purposes of purchase, construction or acquisition of the long-term assets. Government grants related to income refer to the government grants other than those related to assets.

Government grants related to assets are recorded as deferred income and recognised in profit and loss of the consolidated statement of profit or loss and other comprehensive income on a systemic basis over the useful lives of the assets. Government grants to compensate the future costs, expenses or losses are recorded as deferred income and recognised in profit or loss when related costs incurred. Government grants related to income that compensate the incurred costs, expenses or losses are recognised in profit or loss directly in current period. The Group applies the presentation method consistently to the similar government grants in the financial statements.

3 會計政策(續)

3.2 其他會計政策(續)

3.2.12 利息收入

利息收入乃按金融資產賬面總值乘以實際利率來計算，惟後續發生信用減值的金融資產除外。就發生信用減值的金融資產而言，實際利率已乘以金融資產的賬面淨值(扣除虧損撥備後)。

3.2.13 股息分派

派發予本公司股東的股息，於本公司股東或董事批准(如適當)股息的期間內在本集團及本公司財務報表中確認為負債。

3.2.14 政府補助

當能夠合理地保證政府補助將可收取，而本集團將會符合所有附帶條件時，將政府提供的補助按其公平值確認入賬。

與資產相關的政府補助，是指本集團取得的、用於購建或以其他方式形成長期資產的政府補助。與收益相關的政府補助，是指除與資產相關的政府補助之外的政府補助。

與資產相關的政府補助確認為遞延收益並在相關資產可使用年期內按照合理、系統的方法分攤計入綜合損益及其他全面收益表之損益；政府補助用於補償以後期間的相關成本、開支或損失的，確認為遞延收益，並在相關成本產生時計入損益。與收益相關的政府補助用於補償已發生的相關成本、開支或損失的，直接計入當期損益。本集團對財務報表內同類政府補助採用相同的列報方式。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and foreign exchange risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

4.1.1 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt instruments carried at amortised cost, FVPL, derivative financial assets and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

(i) Cash in banks

The Group expects that there is no significant credit risk associated with cash deposits at banks since they are substantially deposited at state-owned banks and other medium or large size listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

(ii) Trade receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss also incorporate forward looking information.

4 財務風險管理

4.1 財務風險因素

本集團的業務使本集團面對不同財務風險：信貸風險、流動資金風險及外匯風險。本集團的整體風險管理計劃著重金融市場不可預見的情況，並力求盡量降低對本集團財務表現的潛在不利影響。

4.1.1 信貸風險

信貸風險源自於現金及現金等價物、按攤銷成本及按公平值計入損益列賬之債務工具的合約現金流量、衍生金融資產及存於銀行及金融機構之存款，以及批發及零售客戶面臨之信貸(包括尚未償還之應收款項)。

(i) 銀行現金

由於銀行現金存款主要存於國有銀行及其他大中型上市銀行，本集團預期銀行現金存款並無重大信貸風險。管理層預期將不會因該等交易對手違約而產生任何重大虧損。

(ii) 貿易應收款項

本集團根據香港財務報告準則第9號的規定應用簡化的方式計提預期信貸虧損撥備，該準則允許所有貿易應收款項均採用全期預期虧損撥備。為計量預期信貸虧損，貿易應收款項已按共通信貸風險特徵及逾期日數分類。預期信貸虧損亦融入前瞻性資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

4.1.1 Credit risk (Continued)

(iii) Other receivables

Other receivables at the end of each reporting period were mainly deposits, advances to employees and the amounts due from related parties. The directors of the Company consider the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis. To assess whether there is a significant increase in credit risk the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the counterparty;
- Significant changes in the expected performance and behaviour of the counterparty;
- The employment relationship with the employee debtor.

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

4 財務風險管理(續)

4.1 財務風險因素(續)

4.1.1 信貸風險(續)

(iii) 其他應收款項

於各報告期末的其他應收款項主要為按金、僱員墊款及應收關聯方款項。本公司董事按持續基準於初始確認金融資產後考慮發生違約事件的可能性及信貸風險是否大幅上升。就評估信貸風險是否大幅上升，本集團會比較於報告日期資產發生違約事件的風險與於初始確認日期的違約事件風險。尤其會計及以下指標：

- 內部信貸評級；
- 外部信貸評級；
- 預期將導致對手方履行其責任的能力發生重大變動的業務、財務或經濟狀況的實際或預期重大不利變動；
- 對手方經營業績的實際或預期重大變動；
- 對手方的預期表現及行為的重大變動；
- 與僱員債務人的僱傭關係。

不論上文的分析如何，倘債務人逾期支付合約款項／按要求償還之款項超過30日，則推定信貸風險大幅增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

c Credit risk (Continued)

(iii) Other receivables (Continued)

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

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categories a loan or receivable for write off when a debtor fails to make contractual payments/repayable demanded greater than 180 days past due. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss of the consolidated statement of profit or loss and other comprehensive income.

Since the advances to employees and amounts due from related parties had no historical default, at each reporting period end, the expected losses of the advances to employees and amounts due from related parties are measured on a 12-month basis.

The directors of the Company believe that there was no material credit risk inherent in the Group's outstanding balance of other receivables.

4 財務風險管理(續)

4.1 財務風險因素(續)

4.1.1 信貸風險(續)

(iii) 其他應收款項(續)

金融資產的違約事件通常為對手方無法於到期後90日內作出合約付款/按要求償還的情況。

當概無合理收回預期，例如債務人無法與本集團達成償款計劃，則撇銷金融資產。當債務人於到期後超過180日以上未作出合約付款/按要求償還時，本集團將貸款或應收款項分類為撇銷。當貸款或應收款項撇銷後，本集團繼續進行強制執行活動以期收回到期應收款項。收回款項時，該等款項於綜合損益及其他全面收益表之損益內確認。

由於支付予僱員墊款及應收關聯方款項並無歷史違約，於各報告期末，支付予僱員墊款及應收關聯方款項之預期虧損按12個月基準計量。

本公司董事認為本集團其他應收款項之尚未償還結餘內並無固有的重大信貸風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

4.1.1 Credit risk (Continued)

(iv) Forward-looking information incorporated in the expected credit loss model

The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit loss. It considers available reasonable and supportive forwarding-looking information. The Group has identified key factors such as the gross domestic product (“GDP”) of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

As at 31 December 2023 and 2022, the loss allowance provision were determined as follows:

Trade receivables

		31 December 2023 2023年12月31日			31 December 2022 2022年12月31日		
		RMB'000 人民幣千元			RMB'000 人民幣千元		
		Expected loss rate 預期 虧損率	Gross carrying amount 賬面總值	Loss allowance provision 虧損準備 撥備	Expected loss rate 預期 虧損率	Gross carrying amount 賬面總值	Loss allowance provision 虧損準備 撥備
Within 30 days	30日內	0.15%	55,906	81	0.08%	37,295	30
31 to 180 days	31至180日	0.45%	95,252	427	0.18%	80,501	145
181 to 1 year	181日至1年	21.30%	279	59	14.33%	1,964	281
1 to 2 years	1至2年	56.90%	746	424	51.83%	2,817	1,460
2 to 3 years	2至3年	100.00%	2,038	2,038	100.00%	1,556	1,556
			154,221	3,029		124,133	3,472

4 財務風險管理(續)

4.1 財務風險因素(續)

4.1.1 信貸風險(續)

(iv) 預期信貸虧損模型融入前瞻性資料

本集團已進行歷史分析及識別出影響信貸風險及預期信貸虧損的主要經濟變數，並顧及可得的合理及輔助性前瞻性資料。本集團已識別就銷售其貨品的國家之國內生產總值(「國內生產總值」)等關鍵因素為大部分相關因素，因此，根據該等因素之預期變動調整歷史虧損率。

於2023年及2022年12月31日之虧損準備撥備釐定如下：

貿易應收款項

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

4.1.1 Credit risk (Continued)

(iv) *Forward-looking information incorporated in the expected credit loss model (Continued)*

Other receivables (excluding recoverable value added tax)

	31 December 2023 2023年12月31日 RMB'000 人民幣千元				31 December 2022 2022年12月31日 RMB'000 人民幣千元		
	Expected loss rate 預期虧損率	Basis for recognition of expected credit loss provision 預期信貸虧損撥備 確認基準	Gross carrying amount 賬面總值	Loss allowance provision 虧損準備撥備	Expected loss rate 預期虧損率	Gross carrying amount 賬面總值	Loss allowance provision 虧損準備撥備
Deposits 按金	11.17%	12 months expected losses 12個月預期虧損	975	109	7.52%	926	70
Advances to employees 支付予僱員墊款	12.03%	12 months expected losses 12個月預期虧損	947	114	8.56%	1,017	87
Amounts due from related parties 應收關聯方款項	12.03%	12 months expected losses 12個月預期虧損	416	50	8.56%	462	39
Others 其他	12.03%	12 months expected losses 12個月預期虧損	446	54	8.56%	246	21
			2,784	327		2,651	217

4 財務風險管理(續)

4.1 財務風險因素(續)

4.1.1 信貸風險(續)

(iv) *預期信貸虧損模型融入前瞻性資料(續)*

其他應收款項(不包括可回收增值稅)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

4.1.2 Liquidity risk

Management aims to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of available financing, including loans from related parties to meet its daily operation working capital requirements.

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- (a) all non-derivative financial liabilities, and
- (b) net settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

The fair value of the Group's derivative financial instruments was included at their fair value of RMBNil as at 31 December 2023 (31 December 2022: fair value of RMB4,207,762) within the less than 12 months time bucket. This is because the contractual maturities are not essential for an understanding of the timing of the cash flows. These contracts are managed on a net fair value basis rather than by maturity date.

4 財務風險管理(續)

4.1 財務風險因素(續)

4.1.2 流動資金風險

管理層旨在維持充足的現金及現金等價物，或通過可得的充足融資金額獲得可得的融資，包括關聯方貸款，以滿足其日常經營的營運資金要求。

下表分析以下基於本集團金融負債合約到期日分類之相關到期日組別的金融負債：

- (a) 所有非衍生金融負債；及
- (b) 合約到期日對瞭解現金流量時間至關重要的已結清衍生金融工具淨值。

12個月內到期結餘等於其賬面值，原因為折現的影響並不重大。

本集團衍生金融工具之公平值於不足12個月時間內按彼等於2023年12月31日之公平值人民幣零元(2022年12月31日：公平值人民幣4,207,762元)列賬。此乃由於合約到期對瞭解現金流量時間並不重大。該等合約按公平值淨值而非到期日管理。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

4.1.2 Liquidity risk (Continued)

		Notes 附註	Less than 1 year 少於一年 RMB'000 人民幣千元	Over 1 year 超過一年 RMB'000 人民幣千元
Non-derivatives	非衍生工具			
As at 31 December 2023	於2023年12月31日			
Trade and other payables	貿易及其他應付款項	20	155,651	1,365
Lease liabilities	租賃負債	31	1,122	–
			156,773	1,365
As at 31 December 2022	於2022年12月31日			
Trade and other payables	貿易及其他應付款項	20	76,687	468
Lease liabilities	租賃負債	31	201	–
			76,888	468
Derivatives	衍生工具			
As at 31 December 2023	於2023年12月31日			
Derivative financial instruments	衍生金融工具		–	–
As at 31 December 2022	於2022年12月31日			
Derivative financial instruments	衍生金融工具		99,003	–

Trade and other payables here exclude non-financial liabilities of accrued payroll and other taxes payable.

本節的貿易及其他應付款項不包括應計付款及其他應付稅項之非金融負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 Financial risk factors (Continued)

4.1.3 Foreign exchange risk

The Group sells products internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity.

The Group also entered into foreign currency forwards in relation to products sales for the next 12 months that do not qualify as 'highly probable' forecast transactions and hence do not satisfy the requirements for hedge accounting (economic hedges). The foreign currency forwards are subject to the same risk management policies as all other derivative contracts. However, they are accounted for as derivative financial instruments with gains (losses) recognised in profit or loss of the consolidated statement of profit or loss and other comprehensive income.

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to foreign exchange risk based on the assumption that USD had strengthened/weakened by 10% against RMB with all other variables held constant:

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
USD/RMB exchange rate – increase 10%	美元兌人民幣匯率 – 增長10%	17,227	10,271
USD/RMB exchange rate – decrease 10%	美元兌人民幣匯率 – 降低10%	(17,227)	(10,271)

4 財務風險管理(續)

4.1 財務風險因素(續)

4.1.3 外匯風險

本集團於全世界銷售產品且面臨外幣交易產生之外匯風險，主要為美元。外匯風險源自未來商業交易及以非集團相關實體之功能貨幣之貨幣計值之已確認資產及負債。

本集團於未來12個月訂立有關產品銷售之外幣遠期合約，其不符合「較高可能性」之預期交易，因此，不符合對沖會計(經濟對沖)要求。外幣遠期合約須受所有其他衍生合約相同風險管理政策規限。然而，彼等按綜合損益及其他全面收益表之損益內已確認之衍生金融工具收益(虧損)入賬。

下表概述本集團金融資產及金融負債對外匯風險的敏感性，其假設是美元兌人民幣升值/貶值10%，而所有其他變量保持不變：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

4 FINANCIAL RISK MANAGEMENT (Continued)

4.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for owners and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total debt less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

As at 31 December 2023 and 2022, the Group maintained at net cash position.

4 財務風險管理(續)

4.2 資本管理

本集團的資本管理旨在維護本集團持續經營的能力，從而為擁有人提供回報，為其他持份者提供利益，並維持理想的資本架構以降低資本成本。

為了維持或調整資本結構，本集團可能會調整向股東支付的股息金額、發行新股份或出售資產以減少債務。

本集團以資本負債比率為基礎監控其資本。該比率按淨負債除以總資本計算。淨負債按總負債減現金及現金等價物計算。總資本按綜合財務狀況表中所示的「權益」加淨負債計算。

於2023年及2022年12月31日，本集團均維持淨現金狀態。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

4 FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation

(i) Fair value hierarchy of financial assets and financial liabilities

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements

			Level 1 第一層 RMB'000 人民幣千元	Level 2 第二層 RMB'000 人民幣千元	Level 3 第三層 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2023	於2023年12月31日					
Financial assets	金融資產					
Fixed deposits	定期存款	25	-	100,590	-	100,590
Financial liabilities	金融負債		-	-	-	-

4 財務風險管理(續)

4.3 公平值估計

(i) 金融資產及金融負債的公平值層級

本節闡述釐定於財務報表中確認及按公平值計量的金融工具公平值所作出的判斷及估計。為得出有關釐定公平值所用輸入數據之可靠性指標，本集團已按會計準則規定將其金融工具分為三個等級。各等級於下表進行闡述。

經常性公平值計量

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

4 FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation (Continued)

(i) Fair value hierarchy of financial assets and financial liabilities (Continued)

Recurring fair value measurements (Continued)

			Level 1 第一層	Level 2 第二層	Level 3 第三層	Total 總計
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 31 December 2022						
Financial assets						
Fixed deposits	25	–	105,000	–	–	105,000
Funds	24	–	–	–	101,560	101,560
Wealth management products issued by commercial banks	24	–	1,650	–	–	1,650
RMB:USD fixed-fixed cross-currency exchange rate swap	24	–	765	–	–	765
			–	107,415	101,560	208,975
Financial liabilities						
USD:RMB fixed-fixed cross-currency exchange rate swap	24	–	–	(316)	–	(316)
Foreign currency forwards	24	–	–	(4,656)	–	(4,656)
			–	(4,972)	–	(4,972)

There were no transfers among level 1, level 2 and level 3 for recurring fair value measurements during the year ended 31 December 2023 and 2022.

4 財務風險管理(續)

4.3 公平值估計(續)

(i) 金融資產及金融負債的公平值層級(續)

經常性公平值計量(續)

截至2023年及2022年12月31日止年度，就經常性公平值計量而言，第一層、第二層以及第三層之間並無轉撥。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

4 FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation (Continued)

(i) Fair value hierarchy of financial assets and financial liabilities (Continued)

Recurring fair value measurements (Continued)

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

4 財務風險管理(續)

4.3 公平值估計(續)

(i) 金融資產及金融負債的公平值層級(續)

經常性公平值計量(續)

本集團的政策是於報告期末確認公平值層級之間的轉入及轉出。

第一層： 於活躍市場買賣的金融工具的公平值根據報告期末的市場報價列賬。本集團持有的金融資產的市場報價為當時買盤價。該等工具列入第一層。

第二層： 並非於活躍市場買賣的金融工具(例如場外交易衍生工具)的公平值採用估值技術釐定，估值技術盡量利用可觀察市場數據，盡量少依賴主體的特定估計。如計算一項金融工具的公平值所需的所有重大輸入為可觀察數據，則該工具列入第二層。

第三層： 如一項或多項重大輸入數據並非根據可觀察市場數據，則該工具列入第三層。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

4 FINANCIAL RISK MANAGEMENT (Continued)

4.3 Fair value estimation (Continued)

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- for forward currency forwards – based on forward exchange rates at the end of the reporting period
- other techniques, such as discounted cash flow analysis

There were no changes in valuation techniques during the years ended 31 December 2023 and 2022.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during current year.

4 財務風險管理(續)

4.3 公平值估計(續)

(ii) 釐定公平值所用估值技術

評估金融工具所用特定估值技術包括：

- 採用類似工具的市場報價或交易商報價
- 有關外幣遠期合約—於報告期結算日根據外匯匯率
- 其他技術，例如折現現金流量分析

截至2023年及2022年12月31日止年度，估值技術並無變動。

於本年度，就經常性公平值計量而言，第一層、第二層以及第三層之間並無轉撥。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Allowance on doubtful receivables

The Group makes allowances on receivables based on assumptions about risk of default and expected loss rates. The Group used judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables and doubtful debt expenses in the period in which such estimate has been changed.

(b) Estimated useful lives and residual values of property, plant and equipment

Management determines the estimated useful lives, residual values and related depreciation expenses for its property, plant and equipment. Management estimates useful lives of the property, plant and equipment by reference to the Group's business model, its assets management policy, the industry practice, expected usage, expected repair and maintenance, and technical or commercial obsolescence arising from changes or improvements in the market.

Management determines the estimated residual value for its property, plant and equipment by reference to all relevant factors at each measurement date. The depreciation expense will change where the useful lives or residual value of property, plant and equipment are different from the previous estimate.

5 重大會計估計及判斷

本集團對未來作出估計及假設。所得的會計估計按定義很少等同於相關實際結果。以下為對下個財政年度的資產及負債賬面值的重大調整構成重大風險的估計及假設的論述。

(a) 應收呆賬準備

本集團根據對違約風險及預期虧損率的假設作出應收款項準備。本集團於各報告期末根據其過往歷史、現時市況及前瞻性估計在作出該等假設及選擇減值計算的輸入值時使用判斷。

如果預期與原本估計有差異，有關差異將影響有關估計發生改變期間貿易及其他應收款項以及呆賬開支的賬面值。

(b) 物業、廠房及設備的估計可使用年期及剩餘價值

管理層釐定物業、廠房及設備的估計可使用年期、剩餘價值及相關折舊開支。管理層乃參考本集團的業務模式、其資產管理政策、行業慣例、預期用途、預期維修及保養、因市場變化或改善導致的技術或商業方面過時，以估計物業、廠房及設備的可使用年期。

管理層於各計量日期參考所有相關因素釐定物業、廠房及設備的估計剩餘價值。倘物業、廠房及設備的可使用年期或剩餘價值與過往估計不同，折舊開支則會改變。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

6 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

The Group is principally engaged in the design, manufacture and processing of wax products, glass products and aromatherapy products. The CODM reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the CODM regards that there is only one segment which is used to make strategic decisions.

As at 31 December 2023 and 2022, most of the non-current assets of the Group were located in the PRC.

Revenue from external parties contributing 10% or more of the total revenue of the Group is as follows:

Customer A	客戶A
Customer B	客戶B
Customer C	客戶C

6 分部資料

管理層根據由主要經營決策者審閱的報告釐定經營分部。主要經營決策者為本公司的執行董事，負責分配資源及評估經營分部的表現。

本集團主要從事蠟製品、玻璃產品及香薰產品之設計、製造及加工。主要經營決策者將該項業務作為一個經營分部，審閱其經營業績，以就資源如何分配作出決策。因此，主要經營決策者認為僅有一個可作出戰略性決策的分部。

於2023年及2022年12月31日，本集團的多數非流動資產均位於中國。

來自外部人士貢獻本集團總收入10%或以上之收入如下：

Year ended 31 December 截至12月31日止年度

		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Customer A	客戶A	185,771	185,436
Customer B	客戶B	122,341	99,511
Customer C	客戶C	108,608	85,113

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

7 REVENUE

Revenue mainly comprises of proceeds from wholesale of goods.

An analysis of the Group's revenue by product type is as follows:

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Revenue from customers:	來自客戶之收入：		
Candles	蠟燭	546,884	498,620
Home fragrance	家居香薰	142,814	111,940
Home accessories	家居飾品	116,853	108,115
		806,551	718,675
Timing of revenue recognition	收入確認時間		
– At a point in time	– 於某時點	806,551	718,675

An analysis of the Group's revenue by business model is as follows:

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Wholesale	批發	800,272	713,661
Retail	零售	6,279	5,014
		806,551	718,675

(a) Contract liabilities

The Group recognised the following revenue-related contract liabilities:

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Advanced payments from customers	來自客戶之墊付款項	6,337	6,219

7 收入

收入主要包括批發貨品所得款項。

本集團按產品類型劃分的收入分析如下：

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Revenue from customers:	來自客戶之收入：		
Candles	蠟燭	546,884	498,620
Home fragrance	家居香薰	142,814	111,940
Home accessories	家居飾品	116,853	108,115
		806,551	718,675
Timing of revenue recognition	收入確認時間		
– At a point in time	– 於某時點	806,551	718,675

本集團按業務模式劃分的收入分析如下：

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Wholesale	批發	800,272	713,661
Retail	零售	6,279	5,014
		806,551	718,675

(a) 合約負債

本集團確認下列收入相關的合約負債：

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Advanced payments from customers	來自客戶之墊付款項	6,337	6,219

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

7 REVENUE (Continued)

(b) Significant change in contract liabilities

Contract liabilities of the Group mainly arise from the advanced payments made by customers while the underlying goods are yet to be delivered.

(c) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised during the years ended 31 December 2023 and 2022 related to carried-forward contract liabilities.

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	計入年初合約負債結餘的已確認收入		
Advanced payments from customers	來自客戶之墊付款項	6,219	4,955

(d) Unsatisfied performance obligations

The Group applies the practical expedient and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

(e) Assets recognised from incremental costs to obtain a contract

Contract obtaining costs incurred related to contracts such as sales commissions with an amortisation period of one year or less have been expensed as incurred.

7 收入(續)

(b) 合約負債的重大變動

本集團的合約負債主要產生自客戶支付的墊付款項，而相關貨品尚未交付。

(c) 就合約負債確認的收入

下表顯示截至2023年及2022年12月31日止年度確認有關結轉合約負債的收入金額。

Year ended 31 December 截至12月31日止年度

2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
6,219	4,955

(d) 未履行的履約義務

本集團應用切合實際的權宜之計，而並無披露有關原預計期限一年或以下的餘下履約義務資料。

(e) 自獲得合約的遞增成本確認的資產

就合約產生之取得合約之成本(例如攤銷期一年或以下之銷售佣金)已於產生時列作開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

8 EXPENSES BY NATURE

8 按性質劃分的開支

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Raw materials and consumables used	所用原材料及可消耗品	462,931	305,536
Subcontracting costs	分包成本	126,419	231,852
Employee benefit expenses	僱員福利開支	83,677	69,608
Transportation expenses	交通開支	15,295	15,217
Utilities	公用事業	6,454	4,708
Depreciation of property, plant and equipment	物業、廠房及設備折舊	15,863	10,936
Depreciation of investment properties	投資物業折舊	377	377
Amortisation of intangible assets	無形資產攤銷	789	697
Amortisation and depreciation of right-of-use assets	使用權資產攤銷及折舊	3,479	2,838
Taxes and surcharges	稅項及附加費	4,946	2,848
Travelling expenses	差旅開支	2,138	1,131
Operating lease expenses on short-term leases	短期租賃運營租賃開支	3,197	3,021
Business entertainment expenses	業務招待開支	2,621	1,697
Sample inspection and express fees	樣品檢查及快遞費	3,949	3,007
Advertising and promotion expenses	廣告及推廣開支	4,254	10,245
Auditor's remuneration	核數師薪酬		
– Annual audit service	– 一年度審核服務	1,810	1,680
Statutory audit fees	法定審核費用	491	165
Other service fees	其他服務費	5,599	4,005
Office expenses	辦公開支	2,326	1,994
Insurance expenses	保險開支	415	228
Sales commission	銷售佣金	454	1,050
Others	其他	2,392	1,949
		749,876	674,789

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

9 EMPLOYEE BENEFIT EXPENSES

9 僱員福利開支

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Wages, salaries and bonuses	工資、薪金及花紅	67,042	54,906
Pension costs (Note a)	退休金成本(附註a)	4,163	3,483
Housing funds, medical insurances and other social insurances (Note b)	住房公積金、醫療保險及 其他社會保險(附註b)	7,562	6,732
Other employee benefits	其他僱員福利	4,910	4,487
		83,677	69,608

Note a: As stipulated by the rules and regulations in the PRC, the subsidiaries operating in the PRC contribute to state-sponsored retirement plans for their employees. The employees contribute approximately 8% of their basic salaries, while the subsidiaries contribute approximately 13–14% of the basic salaries of their respective employees and have no further obligations for the actual payment of pensions or post-retirement benefits beyond the contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to the retired employees.

Note b: Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plans. The Group contributes on a monthly basis to these funds based on approximately 25.4% of the salaries of the employees, subject to certain ceilings. The Group's liability in respect of these funds is limited to the contributions payable in each period.

附註a: 中國的規則及規例訂明，於中國營運的附屬公司於為其僱員向國家營辦的退休計劃作出供款。僱員按其基本薪金約8%作出供款，而附屬公司則按其各自僱員基本薪金約13%至14%作出供款，且除供款外，並無實際支付退休金或退休後福利的任何其他責任。國家營辦之退休計劃負責支付應付予已退休僱員之全部退休金。

附註b: 於中國之本集團僱員有權參加各政府監管之住房公積金、醫療保險及其他僱員社會保險計劃。本集團每月按僱員工資約25.4%向該等基金作出供款，須受上限規限。有關該等基金之本集團負債於各期間受應付供款限制。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

9 EMPLOYEE BENEFIT EXPENSES (Continued)

(a) Five highest paid individuals

For the year ended 31 December 2023, the five individuals whose emoluments were the highest in the Group include 1 (2022: Nil) director 2023 whose emolument is reflected in the analysis shown in Note 37. The emoluments payable to the remaining 4 (2022: 5) individuals are as follows:

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Wages, salaries and bonuses	工資、薪金及花紅		
Wages and bonuses	工資及花紅	1,280	1,428
Discretionary bonuses	酌情花紅	623	687
Pension costs	退休金成本	42	47
Housing funds, medical insurances and other social insurances	住房公積金、醫療保險及 其他社會保險	98	109
		2,043	2,271

The emoluments fell within the following bands:

該等薪酬在以下金額範圍內：

		Number of individuals 人數	
		Year ended 31 December 截至12月31日止年度	
		2023 2023年	2022 2022年
Emolument bands (in HK dollar)	薪酬範圍(以港元列示)		
Nil – HK\$600,000	零至600,000港元	3	5
HK\$600,000 – HK\$1,200,000	600,000港元至 1,200,000港元	1	–
		4	5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

10 OTHER INCOME

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Rental income	租金收益	1,285	1,529
Government grants (i)	政府補助(i)	1,759	3,662
Others	其他	980	1,173
		4,024	6,364

i: Government grants were mainly unconditional government subsidies received by the Group from relevant government bodies.

10 其他收益

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
		1,285	1,529
		1,759	3,662
		980	1,173
		4,024	6,364

i: 政府補助主要與本集團收到來自相關政府機構之無條件政府補貼有關。

11 OTHER GAINS

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Losses on disposal of property, plant and equipment – net	出售物業、廠房及設備虧損—淨額	(130)	(109)
Gains on disposal of right-of-use assets – net	出售使用權資產之收益—淨額	–	32
Net foreign exchange gains	外匯收益淨額	6,487	13,660
Fair value losses on foreign exchange forward contracts	外匯遠期合約之公平值虧損	(170)	(10,040)
Fair value gains on funds	基金之公平值收益	6,955	1,560
Fair value gains on fixed deposits	定期存款之公平值收益	5,632	–
Fair value gains on fixed-fixed cross-currency exchange rate swap	固定交叉貨幣匯率掉期之公平值收益	2,842	3,708
Donation expenses	捐款開支	(2,050)	(150)
Others	其他	(175)	(661)
		19,391	8,000

11 其他收益

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

12 FINANCE INCOME AND COSTS

12 財務收益及成本

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Finance income	財務收益		
Interest income	利息收益	2,397	1,925
Finance costs	財務成本		
Interest expenses on borrowings	借款利息開支	(3,698)	(3,364)
Interest expenses on lease liabilities	租賃負債利息開支	(90)	(83)
		(3,788)	(3,447)
Net finance costs	財務成本淨額	(1,391)	(1,522)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

13 SUBSIDIARIES

The Group's subsidiaries at 31 December 2023 and 2022 and as at the date of issue of these financial statements are set out below. Unless otherwise stated, they have share capital that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

13 附屬公司

本集團於2023年及2022年12月31日及於發佈該等財務報表日期之附屬公司於下文載列。除另有說明者外，附屬公司之股本由本集團直接持有及所持有之所有權權益比例等同於本集團持有之投票權。

Names of the subsidiaries 附屬公司名稱	Place of incorporation/ establishment 註冊成立/成立地點	Issued capital 已發行股本	Attributable to equity interest of the Group 歸屬於本集團股本權益		Principal activities 主要活動
			31 December 12月31日		
			2023 2023年	2022 2022年	
Kwung's Investments Limited 曠世投資有限公司	BVI 英屬處女群島	USD1 1美元	100.00% 100.00%	100.00% 100.00%	Intermediate holding company 中間控股公司
Kwung's Wisdom (Hongkong) Co., Limited 曠世智源(香港)有限公司	Hong Kong 香港	HK\$1 1港元	100.00% 100.00%	100.00% 100.00%	Intermediate holding company 中間控股公司
Ningbo Kwung's 寧波曠世	PRC 中國	RMB91,000,000 人民幣91,000,000元	100.00% 100.00%	100.00% 100.00%	Design, manufacture and processing; Wholesale and retail company 設計、製造及加工處理；批發及零售公司
Ningbo Koman Import and export Co., Ltd. 寧波苛曼進出口有限公司	PRC 中國	RMB1,500,000 人民幣1,500,000元	100.00% 100.00%	100.00% 100.00%	Import or export of self-employed or agent goods and technology 自製或代理貨品及技術進出口
Ningbo Aromage Homeware Co., Ltd. 寧波香薰時代家居用品有限公司	PRC 中國	RMB1,000,000 人民幣1,000,000元	100.00% 100.00%	100.00% 100.00%	Wholesale and retail of household items, handicrafts 家居項目、手工藝品之批發及零售
Neobee Australia Pty Limited Neobee Australia Pty Limited	Australia 澳洲	AUD240,000 240,000澳元	80.00% 80.00%	80.00% 80.00%	Trading Company 貿易公司
Ningbo Fenyuan Aromatherapy Products Co., Ltd. 寧波芬緣香薰製品有限公司	PRC 中國	RMB1,000,000 人民幣1,000,000元	100.00% 100.00%	100.00% 100.00%	Design, manufacture and processing of wax products, metal products and glass products 蠟製品、金屬產品及玻璃產品之設計、製造及 加工
Wuhu Keman Crafts Co., Ltd. 蕪湖苛曼工藝品有限公司	PRC 中國	RMB10,000,000 人民幣10,000,000元	100.00% 100.00%	100.00% 100.00%	Wholesale and retail of household items, handicrafts 批發及零售家居項目、手工藝品

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

14 INCOME TAX EXPENSE

The amounts of income tax expense charged to the consolidated statement of profit or loss represent:

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Current income tax	即期所得稅		
– PRC corporate income tax	– 中國企業所得稅	6,656	2,075
– Hong Kong profits tax	– 香港利得稅	2,567	1,209
Deferred income tax	遞延所得稅		
– Increase in deferred tax assets (note 32)	– 遞延稅項資產增加 (附註32)	(500)	(551)
– Increase in deferred tax liabilities (note 32)	– 遞延稅項負債增加 (附註32)	7,936	1,003
Income tax expense	所得稅開支	16,659	3,736

14 所得稅開支

計入綜合損益表之所得稅開支金額指：

(a) Cayman Island income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

(b) British Virgin Islands income tax

Under the current laws of the British Virgin Islands, entities incorporated in British Virgin Islands are not subject to tax on their income or capital gains.

(c) Hong Kong profits tax

Income tax provision of the Group in respect of operations in Hong Kong has been calculated at the applicable tax rate on the estimated assessable profits for the year ended 31 December 2023, based on the existing legislation, interpretations and practices in respect thereof. The statutory tax rate was 16.5% for the year ended 31 December 2023.

(a) 開曼群島所得稅

本公司為根據開曼群島公司法於開曼群島註冊成立的獲豁免有限公司，因此，獲豁免繳納開曼群島所得稅。

(b) 英屬處女群島所得稅

根據英屬處女群島現有法律，於英屬處女群島註冊成立之實體無須就其收益或資本收益繳納稅費。

(c) 香港利得稅

本集團就於香港經營作出的所得稅撥備已根據現行法律、解釋及慣例，以預估截至2023年12月31日止年度的應課稅溢利的適用稅率計算。截至2023年12月31日止年度，法定稅率為16.5%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

13 SUBSIDIARIES (Continued)

13 附屬公司(續)

Names of the subsidiaries 附屬公司名稱	Place of incorporation/ establishment 註冊成立/成立地點	Issued capital 已發行股本	Attributable to equity interest of the Group 歸屬於本集團股本權益		Principal activities 主要活動
			31 December 12月31日		
			2023 2023年	2022 2022年	
Beijing Aromage Homeware Co., Ltd. 北京香薰時代家居用品有限公司	PRC 中國	RMB500,000 人民幣500,000元	100.00%	100.00%	Wholesale and retail of household items, handicrafts 批發及零售家居項目、手工藝品
Wuxi Aromage Homeware Co., Ltd. 無錫香薰時代家居用品有限公司	PRC 中國	RMB500,000 人民幣500,000元	100.00%	100.00%	Wholesale and retail of household items, handicrafts 批發及零售家居項目、手工藝品
Taizhou Aromage Homeware Co., Ltd. 台州香薰時代家居用品有限公司	PRC 中國	RMB500,000 人民幣500,000元	100.00%	100.00%	Wholesale and retail of household items, handicrafts 批發及零售家居項目、手工藝品
Jinhua Aromage Homeware Co., Ltd. 金華香薰時代家居用品有限公司	PRC 中國	RMB500,000 人民幣500,000元	–	100.00%	Wholesale and retail of household items, handicrafts 批發及零售家居項目、手工藝品
Jiaxing Corner Household Products Co., Ltd. 嘉興邊邊角角家居用品有限公司	PRC 中國	–	–	100.00%	Wholesale and retail of household items, handicrafts 批發及零售家居項目、手工藝品
Wuhan Aromatherapy Times Household Products Co., Ltd. 武漢香薰時代家居用品有限公司	PRC 中國	–	100.00%	100.00%	Wholesale and retail of household items, handicrafts 批發及零售家居項目、手工藝品
Anhui Fenyuan Aromatic Technology Co., Ltd. 安徽芬緣芳香科技有限公司	PRC 中國	RMB50,000,000 人民幣50,000,000元	100.00%	100.00%	Design, manufacture and processing of wax products 設計、製造及加工蠟製品
Herbay Inc.	US 美國	–	100.00%	100.00%	Wholesale and retail of household items, handicrafts 批發及零售家居項目、手工藝品
Ningbo Wanwei Crafts Manufacturing Co., Ltd. 寧波萬維工藝品製造有限公司	PRC 中國	RMB47,000,000 人民幣47,000,000元	100.00%	100.00%	Intermediate holding company 中間控股公司

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

14 INCOME TAX EXPENSE (Continued)

(d) PRC corporate income tax

Income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the years, based on the existing legislation, interpretations and practices in respect thereof. The statutory tax rate was 25% for the year ended 31 December 2023 and 2022.

Ningbo Kwung's was qualified as a "High and New Technology Enterprise" ("HNTe") since 2008 and renewed its qualification in December 2023. It is subject to a reduced preferential corporate income tax rate of 15% from 2023 to December 2026 according to the applicable tax preference applicable to the HNTe.

In addition, pursuant to the Announcement on Increasing the Pre-tax Deductions in Support of Technological Innovation (Announcement [2022] No. 28) issued by the Ministry of Finance, the State Taxation Administration and the Ministry of Science and Technology, during the period from 1 October 2022 to 31 December 2022, the cost of newly purchased equipment can be fully deducted against taxable profit in 2022 and entitled to additional pre-tax deduction at 100% ("**Additional deduction for equipment**").

14 所得稅開支(續)

(d) 中國企業所得稅

本集團就中國內地的經營作出的所得稅撥備已根據現行法律、解釋及慣例，以預估年內應課稅溢利的適用稅率計算。截至2023年及2022年12月31日止年度，法定稅率為25%。

寧波曠世自2008年以來符合資格作為「高新技術企業」(「**高新技術企業**」)並於2023年12月更新其資格，且根據適用於高新技術企業之適用稅項優惠，其自2023年至2026年12月期間按15%的下調優惠企業所得稅稅率繳稅。

此外，根據財政部、國家稅務總局及科技部發佈的《關於加大支持科技創新稅前扣除力度的公告》(公告2022年第28號)，於2022年10月1日至2022年12月31日期間，新購置設備的成本可於2022年的應課稅溢利中全額扣除，並有權於稅前實行100%加計扣除(「**設備加計扣除**」)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

14 INCOME TAX EXPENSE (Continued)

(d) PRC corporate income tax (Continued)

14 所得稅開支(續)

(d) 中國企業所得稅(續)

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	77,456	56,374
Tax calculated at applicable corporate income tax rate of 25%	按適用企業所得稅稅率25%計算的稅項	19,364	14,094
Tax effects of:	以下各項稅務影響：		
– Expenses not deductible for taxation purposes	– 就稅項而言不可扣除的開支	1,757	72
– Income not subject to income tax	– 無須繳納所得稅的收入	–	(1,703)
– Effect of different tax rates of domestic and overseas entities	– 國內及海外實體不同稅率的影響	(3,094)	(5,443)
– Super deduction for research and development expenses	– 研發開支之超額抵扣	(5,595)	(2,935)
– Additional deduction for equipment	– 設備加計扣除	–	(1,392)
– Deductible tax losses and temporary differences not recognised for deferred income tax assets	– 未確認的遞延所得稅資產可抵扣稅項虧損及暫時差額	1,276	1,043
– Deductible of unrealised profit	– 可扣除未變現溢利	(1,087)	–
– Income tax for distribution of profits	– 溢利分配所得稅	7,500	–
– The difference of settlement and payment of annual enterprise income tax in previous years	– 過往年度企業所得稅年度匯算清繳差額	(1,479)	–
– Utilisation of previously unrecognised tax losses	– 動用先前未確認稅項虧損	(1,983)	–
Income tax expense	所得稅開支	16,659	3,736

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

15 EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share for the years ended 31 December 2023 is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issued during the period.

		Year ended 31 December 截至12月31日止年度	
		2023 2023年	2022 2022年
Profit attributable to owners of the Company (RMB'000)	本公司擁有人應佔溢利 (人民幣千元)	60,645	52,605
Weighted average number of ordinary shares in issue (expressed in thousand)	已發行普通股的加權 平均數(以千股列示)	405,042	405,042
Basic earnings per share for profit attributable to the owners of the Company (expressed in RMB per share)	本公司擁有人應佔溢利的 每股基本盈利 (按每股人民幣表示)	0.15	0.13

For the years ended 31 December 2023 and 2022, diluted earnings per share was equal to the basic earnings per share as there were no dilutive shares.

14 每股盈利

(a) 每股基本盈利

截至2023年12月31日止年度每股基本盈利按期內本公司擁有人應佔溢利除以已發行普通股加權平均數計算。

截至2023年及2022年12月31日止年度，由於並無攤薄股份，故每股攤薄盈利相等於每股基本盈利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

16 PROPERTY, PLANT AND EQUIPMENT

16 物業、廠房及設備

	Buildings 樓宇 RMB'000 人民幣千元	Transportation equipment 運輸設備 RMB'000 人民幣千元	Electronic equipment 電子設備 RMB'000 人民幣千元	Machinery 機械 RMB'000 人民幣千元	Furniture 傢具 RMB'000 人民幣千元	Leasehold improvements 租賃裝修 RMB'000 人民幣千元	Assets under construction 在建資產 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
As at 1 January 2023 於2023年1月1日								
Cost 成本	15,502	3,659	3,317	22,161	2,301	38,249	2,780	87,969
Accumulated depreciation 累計折舊	(5,233)	(2,129)	(1,064)	(4,324)	(1,243)	(21,198)	-	(35,191)
Net book value 賬面淨值	10,269	1,530	2,253	17,837	1,058	17,051	2,780	52,778
Year ended 截至2023年12月31日 31 December 2023 止年度								
Opening net book value 年初賬面淨值	10,269	1,530	2,253	17,837	1,058	17,051	2,780	52,778
Additions 添置	-	740	414	863	109	3,765	122,125	128,016
Transfers 轉讓	-	69	-	2,231	-	-	(2,300)	-
Disposals 出售	-	-	-	(130)	-	-	-	(130)
Depreciation (Note 8) 折舊(附註8)	(642)	(522)	(323)	(2,267)	(565)	(11,544)	-	(15,863)
Closing net book value 年末賬面淨值	9,627	1,817	2,344	18,534	602	9,272	122,605	164,801
As at 31 December 2023 於2023年12月31日								
Cost 成本	15,502	4,468	3,730	25,060	2,410	42,014	122,605	215,789
Accumulated depreciation 累計折舊	(5,875)	(2,651)	(1,386)	(6,526)	(1,808)	(32,742)	-	(50,988)
Net book value 賬面淨值	9,627	1,817	2,344	18,534	602	9,272	122,605	164,801

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

16 PROPERTY, PLANT AND EQUIPMENT
(Continued)

16 物業、廠房及設備(續)

		Buildings 樓宇 RMB'000 人民幣千元	Transportation equipment 運輸設備 RMB'000 人民幣千元	Electronic equipment 電子設備 RMB'000 人民幣千元	Machinery 機械 RMB'000 人民幣千元	Furniture 傢具 RMB'000 人民幣千元	Leasehold improvements 租賃裝修 RMB'000 人民幣千元	Assets under construction 在建資產 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
As at 1 January 2022	於2022年1月1日								
Cost	成本	15,861	3,561	2,715	19,872	2,866	28,880	2,290	76,045
Accumulated depreciation	累計折舊	(4,925)	(1,745)	(1,727)	(6,214)	(1,617)	(13,802)	-	(30,030)
Net book value	賬面淨值	10,936	1,816	988	13,658	1,249	15,078	2,290	46,015
Year ended 31 December 2022	截至2022年12月31日 止年度								
Opening net book value	年初賬面淨值	10,936	1,816	988	13,658	1,249	15,078	2,290	46,015
Additions	添置	-	120	2,146	2,413	281	9,369	4,696	19,025
Transfers	轉讓	-	-	-	4,206	-	-	(4,206)	-
Disposals	出售	(25)	(1)	(582)	(610)	(108)	-	-	(1,326)
Depreciation (Note 8)	折舊(附註8)	(642)	(405)	(299)	(1,830)	(364)	(7,396)	-	(10,936)
Closing net book value	年末賬面淨值	10,269	1,530	2,253	17,837	1,058	17,051	2,780	52,778
As at 31 December 2022	於2022年12月31日								
Cost	成本	15,502	3,659	3,317	22,161	2,301	38,249	2,780	87,969
Accumulated depreciation	累計折舊	(5,233)	(2,129)	(1,064)	(4,324)	(1,243)	(21,198)	-	(35,191)
Net book value	賬面淨值	10,269	1,530	2,253	17,837	1,058	17,051	2,780	52,778

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

16 PROPERTY, PLANT AND EQUIPMENT

(Continued)

Depreciation of property, plant and equipment was charged to the consolidated statement of profit or loss and other comprehensive income as follows:

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Cost of sales	銷售成本	8,279	6,425
Administrative expenses	行政開支	4,853	2,722
Research and development expenses	研發開支	671	731
Selling expenses	銷售開支	2,060	1,058
		15,863	10,936

As at 31 December 2023 and 2022, assets under construction mainly represented the building costs of Anhui Fenyuan Aromatic Technology Co., Ltd..

物業、廠房及設備之折舊已於綜合損益及其他全面收益表扣除如下：

於2023年及2022年12月31日，在建資產主要指安徽芬緣芳香科技有限公司的樓宇成本。

17 INVESTMENT PROPERTIES

Investment properties are located in the PRC. The movement of investment properties is analysed as follows:

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Cost	成本	11,905	11,905
Accumulated depreciation	累計折舊	(4,746)	(4,369)
Net book value	賬面淨值	7,159	7,536
Opening net book value	年初賬面淨值	7,536	7,913
Depreciation (Note 8)	折舊(附註8)	(377)	(377)
Closing net book value	年末賬面淨值	7,159	7,536

17 投資物業

投資物業位於中國。投資物業之變動分析如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

17 INVESTMENT PROPERTIES (Continued)

Lease rental income relating to the lease of investment properties has been included in the consolidated statement of profit or loss and other comprehensive income as follows:

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Rental income	租金收益	1,285	1,529

Depreciation of investment properties was charged to the consolidated statement of profit or loss and other comprehensive income as follows:

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Administrative expenses	行政開支	377	377

17 投資物業(續)

與投資物業之租賃有關之租賃租金收益已計入綜合損益及其他全面收益表如下：

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Rental income	租金收益	1,285	1,529

投資物業折舊已於綜合損益及其他全面收益表扣除如下：

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Administrative expenses	行政開支	377	377

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

18 INTANGIBLE ASSETS

18 無形資產

		Patent right 專利權 RMB'000 人民幣千元	Software 軟件 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2023	於2023年1月1日			
Cost	成本	1,122	7,849	8,971
Accumulated amortisation	累計攤銷	(1,020)	(3,354)	(4,374)
Net book value	賬面淨值	102	4,495	4,597
Year ended 31 December 2023	截至2023年12月31日止年度			
Opening net book value	年初賬面淨值	102	4,495	4,597
Additions	添置	41	1,793	1,834
Amortisation (Note 8)	攤銷(附註8)	(39)	(750)	(789)
Closing net book value	年末賬面淨值	104	5,538	5,642
At 31 December 2023	於2023年12月31日			
Cost	成本	1,163	9,642	10,805
Accumulated amortisation	累計攤銷	(1,059)	(4,104)	(5,163)
Net book value	賬面淨值	104	5,538	5,642
At 1 January 2022	於2022年1月1日			
Cost	成本	1,120	6,927	8,047
Accumulated amortisation	累計攤銷	(965)	(2,711)	(3,676)
Net book value	賬面淨值	155	4,216	4,371
Year ended 31 December 2022	截至2022年12月31日止年度			
Opening net book value	年初賬面淨值	155	4,216	4,371
Additions	添置	2	921	923
Amortisation (Note 8)	攤銷(附註8)	(55)	(642)	(697)
Closing net book value	年末賬面淨值	102	4,495	4,597
At 31 December 2022	於2022年12月31日			
Cost	成本	1,122	7,849	8,971
Accumulated amortisation	累計攤銷	(1,020)	(3,354)	(4,374)
Net book value	賬面淨值	102	4,495	4,597

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

18 INTANGIBLE ASSETS (Continued)

Amortisation of intangible assets was charged to the consolidated statement of profit or loss and other comprehensive income follows:

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB 人民幣元	2022 2022年 RMB 人民幣元
Administrative expenses	行政開支	789	697

18 無形資產(續)

無形資產攤銷已於綜合損益及其他全面收益表扣除如下：

19 RIGHT-OF-USE ASSETS

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Land use rights	土地使用權	35,999	36,898
Properties	物業	2,611	199
		38,610	37,097

19 使用權資產

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

19 RIGHT-OF-USE ASSETS (Continued)

(1) Land use rights

The Group's interests in land use rights represent prepaid operating lease payments for land located in the PRC and the lease term is 50 years. The net book amount of land use right is analysed as follows:

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Cost	成本	40,936	40,936
Accumulated depreciation	累計折舊	(4,937)	(4,038)
Net book value	賬面淨值	35,999	36,898
Opening net book value	年初賬面淨值	36,898	7,265
Additions	添置	-	30,130
Amortisation charges (Note 8)	攤銷費用(附註8)	(899)	(497)
Closing net book value	年末賬面淨值	35,999	36,898

The amount of RMB296,000 (2022: RMB246,000) amortisation was charged to administrative expenses and the amount of RMB603,000 (2022: RMB251,000) amortisation was capitalised to assets under construction.

19 使用權資產(續)

(1) 土地使用權

本集團的土地使用權權益指就位於中國的土地的預付經營租賃付款，而租賃期為50年。土地使用權賬面淨值分析如下：

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Cost	成本	40,936	40,936
Accumulated depreciation	累計折舊	(4,937)	(4,038)
Net book value	賬面淨值	35,999	36,898
Opening net book value	年初賬面淨值	36,898	7,265
Additions	添置	-	30,130
Amortisation charges (Note 8)	攤銷費用(附註8)	(899)	(497)
Closing net book value	年末賬面淨值	35,999	36,898

攤銷人民幣296,000元(2022年:人民幣246,000元)自行政開支中扣除及攤銷人民幣603,000元(2022年:人民幣251,000元)於在建資產中資本化。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

19 RIGHT-OF-USE ASSETS (Continued)

(2) Properties

The Group leases properties for own use. Information about leases for which the Group is a lessee is presented below:

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Cost	成本	6,354	6,700
Accumulated depreciation	累計折舊	(3,743)	(6,501)
Net book value	賬面淨值	2,611	199
Opening net book value	年初賬面淨值	199	2,547
Addition	添置	5,595	506
Disposals	出售	–	(262)
Depreciation charge (Note 8)	折舊費用(附註8)	(3,183)	(2,592)
Closing net book value	年末賬面淨值	2,611	199

The consolidated statement of profit or loss and other comprehensive income and the consolidated statements of cash flows contain the following amounts relating to leases:

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Depreciation and amortisation charges of right-of-use assets	使用權資產折舊及攤銷費用	3,183	2,592
Interest paid	已付利息	90	83
Expenses relating to low value of short-term leases	低價值短期租賃相關開支	3,197	3,021
The cash outflows for leases as operating activities	租賃作為經營活動的現金流出	3,197	3,021
The cash outflows for leases as financing activities	租賃作為融資活動的現金流出	4,674	2,881

19 使用權資產(續)

(2) 物業

本集團租賃物業乃供自用。關於本集團作為承租人的租賃資料呈列如下：

綜合損益及其他全面收益表及綜合現金流量表包括以下有關租賃的金額：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

20 FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

20 按類別劃分之金融工具

本集團持有以下金融工具：

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
	Note 附註		
Financial assets	金融資產		
Financial assets at amortised cost:	按攤銷成本之 金融資產：		
Trade receivables	貿易應收款項	22	120,661
Other receivables (excluding recoverable value added tax)	其他應收款項 (可收回增值稅 除外)	23	2,651
Cash and cash in bank	現金及銀行現金	26	143,221
Other current assets	其他流動資產	25	105,000
Financial assets at fair value profit or loss	按公平值計入損 益之金融資產	24	103,975
		438,331	475,508
Financial liabilities	金融負債		
Liabilities at amortised cost:	按攤銷成本之負債：		
Trade and other payables (excluding staff salaries and welfare payables and accrued taxes other than income tax)	貿易及其他應付 款項(應付職員 薪資及福利及 應計稅項(所得 稅除外)除外)	29	77,155
Lease liabilities	租賃負債	31	201
Financial liabilities at fair value through profit or loss	按公平值計入損 益之金融負債	24	4,972
		158,138	82,328

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

21 INVENTORIES

21 存貨

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Raw materials	原材料	30,760	32,935
Work in progress	半成品	8,516	5,558
Finished goods	製成品	31,243	27,656
Provision for impairment of inventories	存貨減值撥備	(1,866)	(88)
		68,653	66,061

The cost of inventories recognised as expense and included in “cost of sales” in the consolidated statement of comprehensive income amounted to RMB462,931,000 for the year ended 31 December 2023 (2022: RMB305,536,000).

截至2023年12月31日止年度，被確認為開支並被計入綜合全面收益表內「銷售成本」的存貨成本為人民幣462,931,000元（2022年：人民幣305,536,000元）。

22 TRADE RECEIVABLES

22 貿易應收款項

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Trade receivables due from third parties	應收第三方之貿易應收款項	154,221	124,133
Less: allowance for impairment of trade receivables	減：貿易應收款項減值撥備	(3,029)	(3,472)
Trade receivables – net	貿易應收款項 – 淨額	151,192	120,661

Trade receivables all arise from sales of goods.

貿易應收款項均來自銷售貨品。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

22 TRADE RECEIVABLES (Continued)

As at 31 December 2023 and 2022, the gross carrying amounts of trade receivables before provision were denominated in the following currencies:

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
USD	美元	111,694	102,458
RMB (i)	人民幣 (i)	42,527	21,675
		154,221	124,133

(i) As at 31 December 2023 and 2022, RMB38,059,418 and RMB15,047,311 was due from overseas clients who made the payment via Cross-border Interbank Payment System respectively.

As at 31 December 2023 and 2022, the ageing analysis of the trade receivables based on invoice date was as follows:

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Within 30 days	30日內	55,906	37,295
Over 30 days and within 180 days	超過30日至180日內	95,252	80,501
Over 180 days and within one year	超過180日至1年內	279	1,964
Over one year and within two years	超過1年至2年內	746	2,817
Over two years and within three years	超過2年至3年內	2,038	1,556
		154,221	124,133

As at 31 December 2023 and 2022, the fair value of trade receivables approximated their carrying amounts. Sales of products are received in accordance with the terms of the relevant sales agreements, and due for payment upon the issuance of invoice.

22 貿易應收款項(續)

於2023年及2022年12月31日，於撥備前貿易應收款項之總賬面值按以下貨幣計值：

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
USD	美元	111,694	102,458
RMB (i)	人民幣 (i)	42,527	21,675
		154,221	124,133

(i) 於2023年及2022年12月31日，人民幣38,059,418元及人民幣15,047,311元分別為應收海外客戶款項(透過跨境銀行間支付系統支付)。

於2023年及2022年12月31日，基於發票日期的貿易應收款項的賬齡分析如下：

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Within 30 days	30日內	55,906	37,295
Over 30 days and within 180 days	超過30日至180日內	95,252	80,501
Over 180 days and within one year	超過180日至1年內	279	1,964
Over one year and within two years	超過1年至2年內	746	2,817
Over two years and within three years	超過2年至3年內	2,038	1,556
		154,221	124,133

於2023年及2022年12月31日，貿易應收款項公平值與其賬面值相近。產品銷售根據相關銷售協議條款收取，並於出具發票後支付。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

22 TRADE RECEIVABLES (Continued)

The Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets. The expected loss rates are based on the payment profiles of sales over past years and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the factors such as GDP of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. As at 31 December 2023 and 2022, the Group did not hold any collateral as security over these debtors.

22 貿易應收款項(續)

本集團應用香港財務報告準則第9號許可的簡化方法，其要求自資產初步確認後將予確認預期存續期間虧損。預期虧損率乃基於過往年度之銷售付款組合及該期間內經歷之相應歷史信貸虧損。歷史虧損率乃經調整以反映有關影響客戶結清應收款項之能力的宏觀經濟因素之當前及前瞻性資料。本集團已識別該等因素，例如其出售貨品所在國家之國內生產總值為最大相關因素，因此，根據該等因素基於預期變動調整歷史虧損率。於各報告日期，已觀察之歷史違約率已更新且前瞻性估值之變動已進行分析。於2023年及2022年12月31日，本集團並無持有任何抵押品作為該等應收賬款之抵押。

		As at 31 December 於12月31日	
		2023 2023年 ECL Rate 預期信貸 虧損率	2022 2022年 ECL Rate 預期信貸 虧損率
Within 30 days	30日內	0.15%	0.08%
Over 30 days and within 180 days	超過30日至180日內	0.45%	0.18%
Over 180 days and within one year	超過180日至1年內	21.30%	14.33%
Over one year and within two years	超過1年至2年內	56.90%	51.83%
Over two years	超過2年	100.00%	100.00%

Movements in the provision for impairment of trade receivables are as follows:

貿易應收款項減值撥備變動如下：

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
At the beginning of the year	於年初	(3,472)	(4,125)
Provision for impairment	減值撥備	(1,133)	(417)
Written off during the year	年內撇銷	1,576	1,070
At the end of the year	於年末	(3,029)	(3,472)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

23 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

23 預付款項、按金及其他應收款項

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Prepayments	預付款項		
– Advances to suppliers	– 向供應商墊款	7,849	10,468
– Prepaid income tax	– 預付所得稅	129	3,773
– Prepaid value-added tax	– 預付增值稅	7,831	1,005
Subtotal	小計	15,809	15,246
Other receivables	其他應收款項		
– Deposits	– 按金	975	926
– Advances to employees	– 向僱員墊款	947	1,017
– Recoverable value-added tax	– 可收回之增值稅	14,396	3,670
– Amounts due from related parties (Note 36(d))	– 應收關聯方款項(附註36(d))	416	462
– Others	– 其他	446	246
Subtotal	小計	17,180	6,321
Total	總計	32,989	21,567
Less: Allowance for impairment of other receivables	減：其他應收款項減值撥備	(327)	(217)
		32,662	21,350

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

23 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Movements in the provision for impairment of other receivables are as follows:

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
At the beginning of the year	於年初	(217)	(325)
Provision for/(reversal of) impairment	減值撥備/(撥回)	(110)	63
Written off during the year	年內撇銷	-	45
At the end of the year	於年末	(327)	(217)

23 預付款項、按金及其他應收款項(續)

其他應收款項減值撥備的變動如下：

24 FINANCIAL ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Funds	基金	-	101,560
Wealth management products issued by commercial banks	商業銀行發行之理財產品	-	1,650
RMB:USD fixed-fixed cross-currency exchange rate swap	人民幣兌美元固定交叉貨幣匯率掉期	-	765
		-	103,975

24 按公平值計入損益之金融資產/(負債)

金融資產

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

24 FINANCIAL ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS

(Continued)

Financial liabilities

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Foreign currency forwards	外幣遠期合約	–	(4,656)
USD:RMB fixed-fixed cross-currency exchange rate swap	美元兌人民幣固定交叉貨幣 匯率掉期	–	(316)
		–	(4,972)

For information about the methods used in determining fair value, please refer to Note 4.3.

有關用於釐定公平值之方法之資料，請參閱附註4.3。

25 OTHER CURRENT ASSETS

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Fixed deposits	定期存款	100,590	105,000

24 按公平值計入損益之金融資產／(負債)(續)

金融負債

25 其他流動資產

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

26 CASH AND CASH IN BANK

26 現金及銀行現金

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Cash on hand	手頭現金	15	15
Cash in banks (i)	銀行現金 (i)	183,378	142,256
Cash in other financial institutions	於其他財務機構的現金	372	950
		183,765	143,221

(i) As at 31 December 2023 and 2022, Cash in banks contains RMB13,550,510 and RMB15,331,597 restricted cash deposits, respectively.

(i) 於2023年及2022年12月31日，銀行現金分別包含人民幣13,550,510元及人民幣15,331,597元受限制現金存款。

The carrying amounts of cash and cash in bank are denominated in the following currencies:

現金及銀行現金的賬面值以下列貨幣計值：

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
RMB	人民幣	92,158	59,856
USD	美元	89,377	83,170
HKD	港元	2,230	195
		183,765	143,221

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

27 SHARE CAPITAL AND SHARE PREMIUM

On 13 November 2018, the Company was incorporated in the Cayman Islands. At the date of incorporation, the authorised share capital was HKD380,000 at par value of HKD0.001.

Ordinary shares issued and fully paid:

27 股本及股份溢價

本公司已於2018年11月13日在開曼群島註冊成立。於註冊成立日期，法定股本為380,000港元，每股面值0.001港元。

已發行及繳足普通股：

		Number of ordinary shares 普通股 數目	Nominal value of shares 股份票面 價值 HKD 港元	Equivalent nominal value of shares 股份票面 價值等值 RMB 人民幣元	Share premium 股份溢價 RMB'000 人民幣千元
At 31 December 2023	於2023年12月31日	405,042,000	405,042	358,767	206,813
At 31 December 2022	於2022年12月31日	405,042,000	405,042	358,767	249,653

28 OTHER RESERVES

28 其他儲備

		Capital reserves 資本儲備 RMB'000 人民幣千元	Statutory reserves 法定儲備 RMB'000 人民幣千元	Translation differences 換算差額 RMB'000 人民幣千元	Total other reserves 其他 儲備總額 RMB'000 人民幣千元
As at 1 January 2023	於2023年1月1日	(72,629)	51,686	97	(20,846)
Exchange differences on translation of foreign operations	境外業務換算之匯兌差額	-	-	47	47
Appropriation to statutory reserves	撥備至法定儲備	-	7,244	-	7,244
As at 31 December 2023	於2023年12月31日	(72,629)	58,930	144	(13,555)
As at 1 January 2022	於2022年1月1日	(72,629)	46,481	-	(26,148)
Exchange differences on translation of foreign operations	境外業務換算之匯兌差額	-	-	97	97
Appropriation to statutory reserves	撥備至法定儲備	-	5,205	-	5,205
As at 31 December 2022	於2022年12月31日	(72,629)	51,686	97	(20,846)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

29 TRADE AND OTHER PAYABLES

29 貿易及其他應付款項

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Trade payables	貿易應付款項	104,989	70,001
Other payables	其他應付款項	52,027	7,154
Staff salaries and welfare payables	應付職員薪資及福利	10,153	5,264
Others	其他	1,886	1,806
		169,055	84,225

(a) As at 31 December 2023 and 2022, all trade and other payables of the Group were non-interest bearing.

(a) 於2023年及2022年12月31日，本集團所有貿易及其他應付款項為免息。

(b) During the years ended 31 December 2023 and 2022, the majority of the Group's trade and other payables were denominated in RMB.

(b) 截至2023年及2022年12月31日止年度，本集團大部分貿易及其他應付款項均按人民幣計值。

(c) Aging analysis of trade payables to third parties and related parties based on invoice date at the respective year end dates was as follows:

(c) 於各年結束之日根據發票日期應付第三方及關聯方之貿易應付款項賬齡分析如下：

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Within one year	1年以內	103,624	69,533
Over one year and within two years	超過1年至2年內	1,062	339
Over two years	超過2年	303	129
		104,989	70,001

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

30 BORROWINGS

30 借貸

		As at 31 December 於12月31日			2022 2022年		
		2023 2023年	Non- current	Total	Current	Non- current	Total
		Current 即期 RMB'000 人民幣千元	current 非即期 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Current 即期 RMB'000 人民幣千元	current 非即期 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Bank loans – unsecured	銀行貸款 – 無抵押	80,000	26,000	106,000	115,000	–	115,000
Bank loans – secured (i)	銀行貸款 – 有抵押 (i)	10,000	–	10,000	20,000	–	20,000
		90,000	26,000	116,000	135,000	–	135,000

As at 31 December 2023, the Group's borrowings were repayable as follows:

於2023年12月31日，本集團的應償還之借貸如下：

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Within one year	於1年內	90,000	135,000
Between 1 and 2 years	1至2年	26,000	–
		116,000	135,000

(i) The secured bank loans were related to the bank acceptance bills discounted with a local bank. As at 31 December 2023 and 2022, the Group pledged RMB2,155,810.92 and RMB5,861,320 respectively in the bank for the purpose of discounting of bank acceptance bills.

(i) 有抵押銀行貸款與一間當地銀行貼現的銀行承兌票據有關。於2023年及2022年12月31日，本集團就貼現銀行承兌票據向銀行抵押人民幣2,155,810.92元及人民幣5,861,320元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

31 LEASE LIABILITIES

31 租賃負債

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Minimum lease payments due – Within 1 year	到期最低租賃付款 – 於1年內	1,139	204
Less: Future finance charges	減：未來融資費用	(17)	(3)
Present value of lease liabilities	租賃負債現值	1,122	201

The Group leases factory workshops and shopping mall counters. These lease liabilities were measured at net present value of the lease payments to be paid during the lease terms.

本集團租賃工廠車間及商場櫃檯。該等租賃負債按將於租期內支付的租賃付款淨現值計量。

Lease liabilities were discounted at incremental borrowing rate. The weighted average lessee's incremental borrowing rate applied to the lease liabilities was 4.75%.

租賃負債按增量借款利率折現。應用於租賃負債的加權平均承租人的增量借款利率為4.75%。

For the total cash outflows for leases including payments of lease liabilities and payments of interest expenses on leases are disclosed in Note 19.

包括租賃負債付款及租賃利息開支付款的租賃總現金流出於附註19披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

32 DEFERRED INCOME TAX ASSETS AND LIABILITIES

Deferred income tax assets

32 遞延所得稅資產及負債

遞延所得稅資產

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
	Note 附註		
The balance comprises temporary differences attributable to:	結餘包括以下各項應佔的暫時性差額：		
Allowance on doubtful debts	呆賬準備	164	249
Accrued expenses	預提開支	317	314
Lease liabilities	租賃負債	192	–
Fair value gain on financial assets	金融資產之公平值收益	–	687
Tax losses	稅項虧損	45	55
Unrealized profit	未變現溢利	1,087	–
Total deferred income tax assets	遞延所得稅資產總值	1,805	1,305
Set-off of deferred income tax liabilities pursuant to set-off provisions	根據抵銷規定抵銷遞延所得稅負債	(i) (656)	(1,233)
Net deferred income tax assets	遞延所得稅資產淨值	1,149	72

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

32 DEFERRED INCOME TAX ASSETS AND LIABILITIES (Continued)

32 遞延所得稅資產及負債(續)

Deferred income tax assets (Continued)

遞延所得稅資產(續)

		Allowance on doubtful debts	Fair value loss on financial assets 金融資產之 公平值虧損	Accrued expenses 預提開支	Lease liabilities 租賃負債	Tax losses 稅項虧損	Unrealized profit 未變現溢利	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
As at 1 January 2023	於2023年1月1日	249	687	314	-	55	-	1,305
(Charged)/credited to the consolidated statement of profit or loss	(扣除)/計入綜合損益表	(85)	(687)	3	192	(10)	1,087	500
At 31 December 2023	於2023年12月31日	164	-	317	192	45	1,087	1,805
As at 1 January 2022	於2022年1月1日	492	-	110	52	100	-	754
(Charged)/credited to the consolidated statement of profit or loss	(扣除)/計入綜合損益表	(243)	687	204	(52)	(45)	-	551
At 31 December 2022	於2022年12月31日	249	687	314	-	55	-	1,305

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

32 DEFERRED INCOME TAX ASSETS AND LIABILITIES (Continued)

Deferred income tax liabilities

32 遞延所得稅資產及負債(續)

遞延所得稅負債

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
	Note 附註		
The balance comprises temporary differences attributable to:	結餘包括以下各項應佔的暫時性差額：		
Property, plant and equipment	物業、廠房及設備	1,203	1,369
Fair value gain on financial assets	金融資產之公平值收益	156	–
Undistributed profits of subsidiaries	附屬公司之未分派溢利	7,500	–
Right-of-use assets	使用權資產	446	–
Total deferred income tax liabilities	遞延所得稅負債總額	9,305	1,369
Set-off of deferred income tax liabilities pursuant to set-off provisions	根據抵銷規定抵銷遞延所得稅負債	(i) (656)	(1,233)
Net deferred income tax liabilities	遞延所得稅負債淨額	8,649	136

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

32 DEFERRED INCOME TAX ASSETS AND LIABILITIES (Continued)

32 遞延所得稅資產及負債(續)

Deferred income tax liabilities (Continued)

遞延所得稅負債(續)

		Fair value gain on financial assets	Property, plant and equipment	Right-of-use assets	Undistributed profits of subsidiaries, joint ventures and associates	Total
		金融資產之公平值收益 RMB'000 人民幣千元	物業、廠房及設備 RMB'000 人民幣千元	使用權資產 RMB'000 人民幣千元	附屬公司、合營企業及聯營公司之未分派溢利 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
As at 1 January 2023	於2023年1月1日	-	1,369	-	-	1,369
(Credited)/charged to the consolidated statement of profit or loss	(計入)/扣除綜合損益表	156	(166)	446	7,500	7,936
At 31 December 2023	於2023年12月31日	156	1,203	446	7,500	9,305
As at 1 January 2022	於2022年1月1日	320	-	46	-	366
(Credited)/charged to the consolidated statement of profit or loss	(計入)/扣除綜合損益表	(320)	1,369	(46)	-	1,003
At 31 December 2022	於2022年12月31日	-	1,369	-	-	1,369

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

附註(i): 當有可依法強制執行的權利將即期稅項資產與即期稅項負債抵銷，而遞延所得稅資產及負債與同一稅務機構向應課稅實體或不同應課稅實體徵收的所得稅相關且有意按淨額基準結清結餘時，則遞延所得稅資產及負債抵銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

32 DEFERRED INCOME TAX ASSETS AND LIABILITIES (Continued)

Deferred tax assets not recognized

Deferred income tax assets are recognised for tax losses carry forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. As at 31 December 2023, the Group had tax losses of RMB32,242,000 (2022: RMB35,156,000) to carry forward, which were not recognised as deferred tax assets as the Directors considered that the utilisation of these tax losses in the foreseeable future is not probable, of which an amount of RMB6,316,000 (2022: RMB11,073,000) will expire as follows and an amount of RMB25,926,000 (2022: RMB24,083,000) has no expiry date.

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
To be expired by	於以下日期前屆滿		
31 December 2024	2024年12月31日	–	2,415
31 December 2026	2026年12月31日	–	4,506
31 December 2027	2027年12月31日	3,140	4,152
31 December 2028	2028年12月31日	3,176	–
Subtotal	小計	6,316	11,073
No expiry date	無屆滿日期	25,926	24,083
Unused tax losses	未動用稅項虧損	32,242	35,156

As at 31 December 2023, deferred income tax liabilities of RMB4,482,000 (31 December 2022: RMB10,003,000) were not recognised for the withholding tax (tax rate of 5%) and other taxes that would be payable on the unremitted earnings of certain subsidiaries. Unremitted earnings totalled approximately RMB89,650,000 at 31 December 2023 (31 December 2022: RMB200,054,000).

32 遞延所得稅資產及負債(續)

未確認的遞延稅項資產

若可能通過未來應課稅溢利實現相關稅務利益，則會就結轉之稅項虧損確認遞延所得稅資產。於2023年12月31日，本集團結轉人民幣32,242,000元（2022年：人民幣35,156,000元）之稅項虧損，由於董事認為於可見未來不太可能動用該等稅項虧損，故並無將其確認為遞延稅項資產，其中金額人民幣6,316,000元（2022年：人民幣11,073,000元）將於以下日期屆滿及金額人民幣25,926,000元（2022年：人民幣24,083,000元）並無屆滿日期。

於2023年12月31日，遞延所得稅負債人民幣4,482,000元（2022年12月31日：人民幣10,003,000元）並無就若干附屬公司的未匯出收益確認應繳納的預扣稅（稅率為5%）及其他稅項。於2023年12月31日，未匯出的收益合共約為人民幣89,650,000元（2022年12月31日：人民幣200,054,000元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

33 DIVIDENDS

33 股息

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Dividends	股息	42,840	–

On 17 January 2023, an extraordinary general meeting of the Company was held to approve the declaration and payment of a special dividend of HKD7 cents per share with the total amount of HKD28,352,940 (approximately RMB24,406,211). On 7 November 2023, the Board announced to resolve the declaration and payment of a special dividend of HKD5 cents per share with the total amount of HKD20,252,100 (approximately RMB18,433,461).

於2023年1月17日，本公司召開股東特別大會，批准宣派及派發特別股息每股7港仙，總金額為28,352,940港元（約人民幣24,406,211元）。於2023年11月7日，董事會宣佈議決宣派及派發特別股息每股5港仙，總金額為20,252,100港元（約人民幣18,433,461元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

34 CASH FLOW INFORMATION

(a) Cash generated from operations

34 現金流資料

(a) 經營所得現金

		Year ended 31 December 截至12月31日止年度		
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元	
		Note 附註		
Profit before income tax	除所得稅前溢利		77,456	56,374
Adjustments for:	經調整：			
– Amortisation of intangible assets	– 無形資產攤銷	18	789	697
– Depreciation of property, plant and equipment	– 物業、廠房及設備折舊	16	15,863	10,936
– Amortisation and depreciation of right-of-use assets	– 使用權資產攤銷及折舊	19	3,479	2,838
– Depreciation of investment properties	– 投資物業折舊	17	377	377
– Impairment loss on financial assets	– 金融資產之減值虧損	22, 23	1,243	354
– Net losses on disposal of property, plant and equipment	– 出售物業、廠房及設備的虧損淨額	11	130	109
– Net gains on disposal of right-of-use assets	– 出售使用權資產的收益淨額	11	–	(32)
– Gain on disposal of financial assets	– 出售金融資產的收益		(7,351)	(577)
– Finance costs	– 財務成本	12	1,391	1,522
– Net exchange differences	– 匯兌差額淨額		(6,487)	(12,675)
Changes in working capital:	營運資金變動：			
– Inventories	– 存貨		(2,592)	23,578
– Trade receivables	– 貿易應收款項		(31,664)	25,651
– Prepayments, deposits and other receivables and restricted cash	– 預付款項、按金及其他應收款項及受限制現金		(9,634)	(4,165)
– Financial assets and liabilities at fair value through profit or loss	– 按公平值計入損益之金融資產及負債		(4,972)	4,972
– Contract liabilities	– 合約負債		118	1,264
– Trade and other payables	– 貿易及其他應付款項		40,552	6,158
Cash generated from operations	經營所得現金		78,698	117,381

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

34 CASH FLOW INFORMATION (Continued)

(b) In the statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
		Note 附註	
Net book amount	賬面淨值	16	1,326
Losses on disposal of property, plant and equipment	出售物業、廠房及設備虧損	11	(109)
			1,217

(b) 於現金流量表內，出售物業、廠房及設備之所得款項包括：

(c) Net debt reconciliation

(c) 淨負債對賬

		Lease liabilities 租賃負債 RMB'000 人民幣千元	Borrowings 借款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Net debt as at 1 January 2022	於2022年1月1日 之淨負債	(2,785)	(80,000)	(82,785)
New leases	新租約	(592)	–	(592)
Disposal	出售	295	–	295
Cash flows	現金流量	2,881	(55,000)	(52,119)
Net debt as at 31 December 2022	於2022年12月31日 之淨負債	(201)	(135,000)	(135,201)
Net debt as at 1 January 2023	於2023年1月1日 之淨負債	(201)	(135,000)	(135,201)
New leases	新租約	(5,595)	–	(5,595)
Disposal	出售	–	–	–
Cash flows	現金流量	4,674	19,439	24,113
Net debt as at 31 December 2023	於2023年12月31日 之淨負債	(1,122)	(115,561)	(116,683)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

35 COMMITMENTS

(a) Operating lease commitments – as lessee

The future aggregate minimum lease payments under these short-term non-cancellable operating leases are as follows:

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Within one year	1年以內	3,326	2,355

(b) Capital commitments

Significant capital expenditure contracted for as at 31 December 2023 and 2022 but not recognised as liabilities is as follows:

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	36,100	21

35 承諾事項

(a) 經營租賃承諾－作為承租人

該等短期不可撤銷經營租約的未來最低租賃付款總額如下：

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Within one year	1年以內	3,326	2,355

(b) 資本承諾

於2023年及2022年12月31日之已訂約但未確認為負債的重大資本開支如下：

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	36,100	21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

36 RELATED PARTY TRANSACTIONS

(a) Names and relationship with related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control.

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the years ended 31 December 2023 and 2022, and balances arising from related party transactions as at 31 December 2023 and 2022.

Name of related parties

關聯方名稱

Mr. Jin Jianxin
金建新先生
Shaoxing Shi Jingming
紹興市景明
Ningbo Kwung's Investment Holdings Co., Limited
寧波曠世投資控股有限公司
Ningbo Jingyuan Cultural Development Co., Limited
寧波璟元文化發展有限公司
Ningbo Internet Trading Culture Development Co., Limited
寧波曠世網貿園文化發展有限公司

36 關聯方交易

(a) 關聯方名稱及與關聯方的關係

如一方有能力直接或間接控制另一方或對另一方在作出財務和經營決策方面有重大影響力，則各方被認為是關聯的。如彼等受共同控制限制，則各方亦被認為是關聯的。

以下為截至2023年及2022年12月31日止年度本集團與其關聯方於一般業務過程中進行的重大交易概要，以及於2023年及2022年12月31日的關聯方交易產生的結餘。

Nature of relationship

關係性質

Ultimate Controlling Shareholder
最終控股股東
Entity controlled by Ultimate Controlling Shareholder
最終控股股東控制之實體
Entity controlled by Ultimate Controlling Shareholder
最終控股股東控制之實體
Entity controlled by Ultimate Controlling Shareholder
最終控股股東控制之實體
Entity formally controlled by Ultimate Controlling Shareholder
最終控股股東控制之實體

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

36 RELATED PARTY TRANSACTIONS (Continued)

36 關聯方交易(續)

(b) Transactions with related parties

(b) 與關聯方的交易

		Year ended 31 December 截至12月31日止年度	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
<i>Payment on behalf of related parties</i>	<i>代表關聯方的付款</i>		
– Ningbo Internet Trading Culture Development Co., Limited	– 寧波曠世網貿園文化發展有限公司	–	144
<i>Expenses paid by a related party on behalf of the Group</i>	<i>關聯方代本集團墊付之款項</i>		
– Ningbo Jingyuan Cultural Development Co., Limited	– 寧波璟元文化發展有限公司	919	1,093
– Shaoxing Shi Jingming	– 紹興市景明	–	93
		919	1,186
<i>Lease payment to a related party</i>	<i>向一名關聯方支付租賃款項</i>		
– Ningbo Jingyuan Cultural Development Co., Limited	– 寧波璟元文化發展有限公司	1,520	3,811
– Ningbo Kwung's Investment Holdings Co., Limited	– 寧波曠世投資控股有限公司	–	361
– Shaoxing Shi Jingming	– 紹興市景明	–	266
		1,520	4,438
<i>Lease compensation received from a related party</i>	<i>自一名關聯方收取租賃補償</i>		
– Shaoxing Shi Jingming	– 紹興市景明	–	780
<i>Labour costs paid to a related party</i>	<i>向一名關聯方支付勞動成本</i>		
– Shaoxing Shi Jingming	– 紹興市景明	–	550

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

36 RELATED PARTY TRANSACTIONS (Continued)

(c) Key management compensation

Key management includes directors and senior management. Other than those for directors as disclosed in Note 37, no compensations were paid or payable to senior management during the years ended 31 December 2023 and 2022.

(d) Balances with related parties

36 關聯方交易(續)

(c) 關鍵管理人員薪酬

關鍵管理人員包括董事及高級管理層。除附註37披露的董事外，截至2023年及2022年12月31日止年度並無已付或應付高級管理層的薪酬。

(d) 與關聯方的結餘

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
<i>Amounts due from related parties</i>	<i>應收關聯方款項</i>		
– Ningbo Jingyuan Cultural Development Co., Limited	– 寧波璟元文化發展有限公司	416	416
– Ningbo Kwung's Investment Holdings Co., Limited	– 寧波曠世投資控股有限公司	–	46
		416	462

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

37 DIRECTORS' BENEFITS AND INTERESTS

As of the date of issue of these financial statements, the directors of the Company are as follows:

Executive directors

Mr. Jin Jianxin
Mr. Tian Dong

Non-executive directors

Mr. Patrick Shao

Independent non-executive directors

Mr. Zhou Kai
Mrs. Xu Qiong
Mr. Yang Herong
Mr. Lai Chun Yu

(a) Directors' emoluments

The directors received emoluments from the Group (in their role as senior management and employee before their appointment as directors respectively) for the year ended 31 December 2023 as follows:

Name	姓名	Fees	Salaries	Bonus	Housing allowances and contributions to a retirement scheme	Total
		袍金	薪金	花紅	住房補貼及退休計劃供款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事					
Mr. Jin Jianxin	金建新先生	-	-	-	-	-
Mr. Tian Dong	田東先生	-	614	-	-	614
Non-executive directors	非執行董事					
Mr. Shao Patrick	邵平先生	-	-	-	-	-
Independent non-executive directors	獨立非執行董事					
Mr. Zhou Kai	周凱先生	80	-	-	-	80
Mrs. Xu Qiong	徐瓊女士	80	-	-	-	80
Mr. Lai Chun Yu	黎振宇先生	163	-	-	-	163
		323	614	-	-	937

37 董事的利益及權益

於發佈該等財務報表日期，本公司董事如下：

執行董事

金建新先生
田東先生

非執行董事

邵平先生

獨立非執行董事

周凱先生
徐瓊女士
楊和榮先生
黎振宇先生

(a) 董事酬金

截至2023年12月31日止年度，董事自本集團所收取的酬金(在其獲委任為董事之前分別以高級管理層及僱員身份)如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

37 DIRECTORS' BENEFITS AND INTERESTS

(Continued)

(a) Directors' emoluments (Continued)

The directors received emoluments from the Group (in their role as senior management and employee before their appointment as directors respectively) for the year ended 31 December 2022 as follows:

Name	姓名	Fees	Salaries	Bonus	Housing allowances and contributions to a retirement scheme 住房補貼及退休計劃供款	Total
		袍金 RMB'000 人民幣千元	薪金 RMB'000 人民幣千元	花紅 RMB'000 人民幣千元	退休計劃供款 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Executive directors 執行董事						
Mr. Jin Jianxin	金建新先生	-	-	-	-	-
Mr. Tian Dong	田東先生	-	-	-	-	-
Non-executive directors 非執行董事						
Mr. Shao Patrick	邵平先生	-	-	-	-	-
Independent non-executive directors 獨立非執行董事						
Mr. Zhou Kai	周凱先生	80	-	-	-	80
Mrs. Xu Qiong	徐瓊女士	56	-	-	-	56
Mr. Lai Chun Yu	黎振宇先生	158	-	-	-	158
		294	-	-	-	294

(b) Retirement benefits of directors

During the years ended 31 December 2023 and 2022, there were no additional retirement benefits received by the directors except for the contribution to a retirement benefit scheme in accordance with the rules and regulations in the PRC.

(c) Termination benefits of directors

During the years ended 31 December 2023 and 2022, there were no termination benefits received by the directors.

37 董事的利益及權益(續)

(a) 董事酬金(續)

截至2022年12月31日止年度，董事自本集團所收取的酬金(在其獲委任為董事之前分別以高級管理層及僱員身份)如下：

(b) 董事的退休福利

截至2023年及2022年12月31日止年度，除根據中國規則及條例的退休福利計劃供款外，董事並未獲得額外的退休福利。

(c) 董事的離職福利

截至2023年及2022年12月31日止年度，董事並未獲得離職福利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

37 DIRECTORS' BENEFITS AND INTERESTS

(Continued)

(d) Consideration provided to third parties for making available the services of directors

During the years ended 31 December 2023 and 2022, no consideration was paid for making available the services of the directors or senior management of the Company.

(e) Information about loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by and entities connected with such directors.

During the year ended 31 December 2023 and 2022, there were no loans, quasi-loans and other dealings entered into by the Company or subsidiaries of the Company, where applicable, in favour of directors.

(f) Director's material interests in transactions, arrangements or contracts

Except for mentioned above and those disclosed elsewhere in Note 35, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company or subsidiaries of the Company was a party and in which a director of the Company had interests, whether directly or indirectly, subsisted at 31 December 2023 and 2022 or at any time during the years then ended.

37 董事的利益及權益(續)

(d) 就獲得董事服務向第三方提供的代價

截至2023年及2022年12月31日止年度，概無支付代價以獲得本公司董事或高級管理層的服務。

(e) 以董事、受有關董事所控制的法人團體及與其有關連的實體為受益人的貸款、準貸款及其他交易的相關資料

截至2023年及2022年12月31日止年度，本公司或本公司的附屬公司(如適用)概無以董事為受益人訂立任何貸款、準貸款及其他交易。

(f) 董事於交易、安排或合約之重大權益

除上文所述及於附註35所披露者外，於2023年及2022年12月31日或截至該等日期止年度內任何時間，本公司或本公司之附屬公司概無訂立與本集團業務有關，且本公司董事於其中擁有直接或間接權益的任何重大交易、安排及合約。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

38 FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

38 本公司財務狀況及儲備變動

(a) The Company's statements of financial position

(a) 本公司的財務狀況表

As at 31 December 2023

於2023年12月31日

		As at 31 December 於12月31日	
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元
	Note 附註		
Assets	資產		
Non-current asset	非流動資產		
Investment in a subsidiary	投資一家附屬公司	163,681	163,681
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	3,074	42,274
Prepayments and other receivables	預付款項及其他應收款項	137	328
Cash and cash equivalents	現金及現金等價物	52,918	38,524
Total current assets	流動資產總值	56,129	81,126
Total assets	資產總值	219,810	244,807
Equity	權益		
Share capital	股本	359	359
Share premium	股份溢價	206,813	249,653
Accumulated losses	累計虧損	(21,126)	(19,960)
Total equity	權益總額	186,046	230,052
Current liabilities	流動負債		
Amounts due to subsidiaries	應付附屬公司款項	33,670	14,467
Accruals and other payables	應計費用及其他應付款項	94	288
Total liabilities	負債總額	33,764	14,755
Total equity and liabilities	權益及負債總額	219,810	244,807

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

38 FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Notes to the Company's statement of financial position

Note a: Investment in a subsidiary represents the investment in Kwung's investments.

Note b: Amounts due from subsidiaries as at 31 December 2023 represented the intercompany borrowings.

Note c: Movements of accumulated losses.

38 本公司財務狀況及儲備變動(續)

(b) 本公司財務狀況表附註

附註a: 於附屬公司的投資指於曠世投資的投資。

附註b: 於2023年12月31日，應收附屬公司款項指應收公司間借貸。

附註c: 累計虧損之變動。

		Accumulated losses 累計虧損 RMB'000 人民幣千元
Balance at 1 January 2023	於2023年1月1日的結餘	(19,960)
Comprehensive loss Loss for the year	全面虧損 年內虧損	(1,166)
Balance at 31 December 2023	於2023年12月31日的結餘	(21,126)
		Accumulated losses 累計虧損 RMB'000 人民幣千元
Balance at 1 January 2022	於2022年1月1日的結餘	(22,554)
Comprehensive loss Profit for the year	全面虧損 年內溢利	2,594
Balance at 31 December 2022	於2022年12月31日的結餘	(19,960)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended 31 December 2023 截至2023年12月31日止年度

39 EVENTS AFTER THE BALANCE SHEET DATE

On 2 January 2024, the Group subscribed interests in two investment funds in the PRC totalling RMB100 million funded by the Group's surplus cash reserves to enhance the utilisation of capital and increase income from idle funds.

On 20 February 2024, an extraordinary general meeting of the Company was held to approve the equity transfer agreement (the “**Agreement**”) entered into between Ningbo Kwung's Wisdom Art & Design Co., Ltd., an indirectly wholly owned subsidiary of the Company, (the “**Vendor**”) and Ningbo Kwung's Investment Holding Co., Ltd., a company controlled by Mr. JIN Jianxin, an ultimate controlling shareholder, (the “**Purchase**”) under which the Vendor agreed to sell and the Purchaser agreed to purchase 100% equity interest of Ningbo Wanwei Crafts Manufacturing Co., Ltd., an indirectly wholly owned subsidiary of the Company holding certain land-use rights and properties of the Group (the “**Target**”), at a cash consideration of RMB47 million. Upon completion of the transaction stipulated in the Agreement, the Group ceased to have any equity interest in the Target and the Target ceased to be a subsidiary of the Company.

39 資產負債表日後事項

於2024年1月2日，本集團利用盈餘現金儲備認購兩隻中國投資基金的權益，總額為人民幣100百萬元，以提高資金利用率及增加閒置資金收入。

於2024年2月20日，本公司召開股東特別大會，批准本公司間接全資附屬公司寧波曠世智源工藝設計有限公司（「賣方」）與最終控股股東金建新先生控制的公司寧波曠世投資控股有限公司（「買方」）訂立的股權轉讓協議（「協議」）、據此，賣方同意出售而買方同意購買本公司間接全資附屬公司寧波萬維工藝品製造有限公司（持有本集團若干土地使用權及物業）（「目標公司」）的100%股權，現金代價為人民幣47百萬元。於協議規定的交易完成後，本集團不再擁有目標公司的任何股權，而目標公司不再為本公司的附屬公司。

SUMMARY FINANCIAL INFORMATION

財務資料摘要

		Year ended 31 December 截至12月31日止年度				
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Revenue	收入	806,551	718,675	631,395	472,179	501,131
Gross profit	毛利	162,132	134,395	121,126	108,149	133,679
Operating profit	經營溢利	78,847	57,896	56,315	47,563	32,963
Profit before income tax	除所得稅前溢利	77,456	56,374	56,115	48,062	32,568
Income tax expense	所得稅開支	(16,659)	(3,736)	(7,077)	(7,306)	(4,758)
Total comprehensive income for the year, attributable to owners of the Company	本公司擁有人應佔年內全面收益總額	60,692	52,704	48,998	40,795	27,827
Earnings per share for profits attributable to owners of the Company (expressed in RMB per share) – Basic and diluted	本公司擁有人應佔溢利的每股盈利 (按每股人民幣表示) – 基本及攤薄	15.0 cents 分	13.0 cents 分	12.1 cents 分	10.2 cents 分	9.3 cents 分

		As at 31 December 於12月31日				
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元	2021 2021年 RMB'000 人民幣千元	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Non-current assets	非流動資產	217,361	102,080	68,499	68,763	71,545
Current assets	流動資產	536,862	560,268	477,989	327,350	203,000
Total assets	資產總值	754,223	662,348	546,488	396,113	274,545
Non-current liabilities	非流動負債	26,000	–	241	2,176	5,671
Current liabilities	流動負債	282,668	234,808	171,467	68,193	70,154
Total liabilities	負債總額	308,668	234,808	171,708	70,369	75,825
Total equity	權益總額	445,555	427,540	374,780	325,744	198,720

曠世控股有限公司
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