

**China Automotive
Interior Decoration Holdings Limited**
中國汽車內飾集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)
股份代號 **Stock code: 0048**

**ANNUAL
REPORT**
年報
2023

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CORPORATE INFORMATION

公司資料

Executive Directors

Mr. Zhuang Yuejin (*Chairman*)
Mr. Ng Chung Ho (appointed on 27 December 2023)
Ms. Xiao Suni
Mr. Wong Ho Yin (resigned on 18 October 2023)

Independent Non-Executive Directors

Mr. Mak Wai Ho
Ms. Ng Li La, Adeline
Ms. Zhu Chunyan

Audit Committee

Mr. Mak Wai Ho (*Chairman*)
Ms. Ng Li La, Adeline
Ms. Zhu Chunyan

Remuneration Committee

Mr. Mak Wai Ho (*Chairman*)
Mr. Zhuang Yuejin
Ms. Zhu Chunyan

Nomination Committee

Mr. Zhuang Yuejin (*Chairman*)
Mr. Mak Wai Ho
Ms. Ng Li La, Adeline

Company Secretary

Mr. Man Yun Wah (appointed on 18 October 2023)
Mr. Wong Ho Yin (resigned on 18 October 2023)

Authorised Representatives

Mr. Zhuang Yuejin
Mr. Man Yun Wah (appointed on 18 October 2023)
Mr. Wong Ho Yin (resigned on 18 October 2023)

Auditors

Elite Partners CPA Limited
Certified Public Accountants

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

執行董事

莊躍進先生 (*主席*)
伍忠豪先生 (於二零二三年十二月二十七日獲委任)
肖蘇妮女士
黃浩然先生 (於二零二三年十月十八日辭任)

獨立非執行董事

麥偉豪先生
吳莉娜女士
朱春燕女士

審核委員會

麥偉豪先生 (*主席*)
吳莉娜女士
朱春燕女士

薪酬委員會

麥偉豪先生 (*主席*)
莊躍進先生
朱春燕女士

提名委員會

莊躍進先生 (*主席*)
麥偉豪先生
吳莉娜女士

公司秘書

文潤華先生 (於二零二三年十月十八日獲委任)
黃浩然先生 (於二零二三年十月十八日辭任)

授權代表

莊躍進先生
文潤華先生 (於二零二三年十月十八日獲委任)
黃浩然先生 (於二零二三年十月十八日辭任)

核數師

開元信德會計師事務所有限公司
執業會計師

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

CORPORATE INFORMATION (Continued)

公司資料 (續)

Headquarter and Principal Place of Business in Hong Kong

Workshop Nos. 25,
6/F, Corporation Park,
11 On Lai Street, Shatin,
New Territories, Hong Kong

Principal Place of Business in the PRC

No. 28 Xinfeng Road, Xinfeng Industrial Park,
Fangqian Town New District,
Wuxi City, Jiangsu Province, the PRC

Cayman Islands Share Registrar and Transfer Office

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

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

Principal Banker

Industrial and Commercial Bank of China
Bank of China

Company Website

www.hklistco.com/48

Stock Code

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總辦事處及香港主要營業地點

香港新界
沙田安麗街11號
企業中心6樓
25室

中國主要營業地點

中國江蘇省無錫市
新區坊前鎮
新豐工業園新風路28號

開曼群島股份過戶登記處

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

股份過戶登記處香港分處

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

主要往來銀行

中國工商銀行
中國銀行

公司網站

www.hklistco.com/48

股份代號

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CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS

主席報告及管理層討論與分析

Dear Shareholders,

On behalf of the board of Directors (the "Board") of China Automotive Interior Decoration Holdings Limited (the "Company"), I am pleased to present the audited annual results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2023.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2023.

BUSINESS REVIEW

The Group is principally engaged in the manufacture and sale of nonwoven fabric related products used in automotive interior decoration parts and other parts, the trading of rubber and food products. The Group deploys financial resource to securities investment to achieve earnings in the form of capital appreciation and income from dividends. The Group also taps into the business of financial services through the investment in a securities house.

Manufacture and sale of nonwoven fabric related products

Manufacture and sale of nonwoven fabric related products is one of the principal business of the Group. The Group manufactures its products with single layer or multiple layers of nonwoven fabric in accordance with specific requirements and standards of different customers. Most of the customers of nonwoven fabric related products are primary manufacturers and suppliers of automotive parts in the PRC. The majority of the Group's products are further processed by these customers in order to make different automotive parts such as floor, head lining, seat cover, parcel tray, trunk, luggage-side trim, hubcap and car-mat, which are of different characteristics and are to be applied for different usages in passenger vehicles.

According to the statistics released from China Association of Automobile Manufacturers ("CAAM"), the production and sales of passenger vehicles in the PRC were approximately 21,923,000 units and 26,063,000 units respectively for the year ended 31 December 2023, representing an increase of approximately 4.2% and 10.6%. These favorable growth in passenger vehicles market resulted in a stable demand for automotive materials of the Group during 2023.

各位股東：

本人謹代表中國汽車內飾集團有限公司（「本公司」）董事會（「董事會」）欣然提呈本公司及其附屬公司（統稱「本集團」）截至二零二三年十二月三十一日止年度之經審核全年業績。

末期股息

董事不建議就截至二零二三年十二月三十一日止年度派付末期股息。

業務回顧

本集團主要從事製造及銷售用於汽車內飾件及其他部分的無紡布相關產品、橡膠及食品貿易。本集團投入財務資源於證券投資以透過資本增值及股息收入的形式賺取盈利。本集團亦透過投資證券公司涉足金融服務業務。

製造及銷售無紡布相關產品

製造及銷售無紡布產品是本集團的主要業務之一。本集團根據不同客戶的特定要求及標準製造一層或多層無紡布相關產品。大部分無紡布相關產品的客戶為在中國的汽車配件主要製造商及供應商。本集團大部分產品均由該等客戶作進一步加工，以製成不同的汽車配件，如汽車主地毯面料、頂蓬面料、座椅面料、衣帽架面料、行李箱蓋毯面料、行李箱側毯面料、輪罩面料及汽車腳踏墊面料，各具不同特點，可應用於乘用車的不同用途。

根據中國汽車工業協會（「中國汽車工業協會」）公佈的數據，截至二零二三年十二月三十一日止年度中國乘用車的產銷量分別約為21,923,000台及26,063,000台，增幅分別為約4.2%及10.6%。得益於乘用車市場的良好增長態勢，二零二三年期間市場對本集團汽車材料的需求保持穩定。

CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

主席報告及管理層討論與分析 (續)

In 2021, the Group set up new production lines in Jilin Province, the PRC for the supply of the automotive components (the "Automotive Components") to a components supplier of an automotive manufacturer under the brand "FAW Toyota".

In order to secure a stable supply of raw material at favourable price or terms in a timely manner, it was usual course of the business in automotive industry to provide deposits to suppliers. The trade deposits would be subsequent utilized.

Since the relocation of production lines to Cangzhou and Chengdu and the diversification to supply of the Automotive Components in Jilin during the 2022, the Group would paid to the suppliers of plant and equipment as prepayments for upgrading the existing production lines (such as modifying and replacing accessories of the production facilities and equipment) for perfection of production, acquiring new production facilities and equipment. At 31 December 2023, the prepayments for acquisition of property, plant and equipment was approximately RMB58.1 million. The Group expects the plant and equipment would be installed and the amounts of prepayment would be utilized in 2024.

Supply and procurement operation

The Group commenced its business of rubber trading since 2012 and the quoted price of rubber was generally varied according to the tendency of the commodities markets. To manage the risk, the Group mainly carried out that business in back-to-back model. As the significant fluctuation in price of top commodities, crude oil, the Group only accepted the orders with lower default risk.

After COVID-19 pandemic, the Group adopted strategies to exit the business which is loss-making and with unpromising prospect. The Group diversified into the business of trading of food products since 2016. The business of trading of food products incurred losses for years and did not generated any income in 2023. Its revenue in 2022 and 2021 just accounted for 4.12% and 5.75% of the Group's revenue respectively and became side business of the Group. In view of the loss-making record and no relevant personnel within the Group is able to manage this business, the Group disposed the business to reduce the risk of the Group during the first quarter of 2024.

Interests in associates

The Company through a joint venture company indirectly hold 42% of the equity interest in GEO Securities Limited ("GEO Securities") and classified as "interests in associates" at 31 December 2023. GEO Securities has the licenses to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (Asset Management) regulated activities under the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) in Hong Kong. The Group shared a loss of associates of approximately RMB2.8 million for the year ended 31 December 2023.

本集團於二零二一年在中國吉林省建設新生產線，以「一汽豐田」品牌向一家汽車製造商的零部件供應商提供汽車零部件（「汽車零部件」）。

為了及時以優惠的價格或條款獲得穩定的原材料供應，向供應商提供按金是汽車行業的慣常做法。貿易按金將於隨後動用。

由於二零二二年生產線搬遷至滄州及成都以及於吉林供應汽車零部件以豐富業務組合，本集團須向機器設備供應商支付升級現有生產線（如改造及更換生產設施及設備的配件）的預付款項，從而完善生產以及購置新的生產設施及設備。於二零二三年十二月三十一日，購置物業、廠房及設備的預付款項約為人民幣58.1百萬元。本集團預計將於二零二四年安裝機器設備，而預付款項也會於二零二四年使用。

供應及採購業務

本集團自二零一二年起開展其買賣橡膠業務，而橡膠的報價一般隨著商品市場的趨勢而改變。為管理風險，本集團主要以背對背模式經營該業務。由於頂級商品、原油價格大幅波動，故本集團僅接納違約風險較低的訂單。

於新冠肺炎疫情消退後，本集團採取的策略為退出虧損且前景不樂觀的業務。本集團自二零一六年起擴展至食品貿易業務。食品貿易業務連年虧損，且於二零二三年沒有產生任何收入。於二零二二年及二零二一年的收入分別僅佔本集團收入的4.12%及5.75%，成為本集團的副業。鑑於該業務的虧損記錄及本集團並無相關人員能夠管理該業務，本集團於二零二四年第一季度出售了該項業務以降低本集團的風險。

於聯營公司之權益

本公司透過合營公司間接持有智易東方證券有限公司（「智易東方證券」）42%的權益，該權益於二零二三年十二月三十一日歸類為「於聯營公司的權益」。智易東方證券擁有於香港根據證券及期貨條例（香港法例第571章）可從事第1類（證券交易）、第4類（就證券提供意見）及第9類（資產管理）受規管活動之執照。本集團於截至二零二三年十二月三十一日止年度分佔聯營公司虧損約人民幣2.8百萬元。

FINANCIAL REVIEW**Revenue**

The Group's revenue for the years ended 31 December 2023 and 2022 was illustrated as follows:

Nonwoven fabric related products for use in automobiles	用於汽車的無紡布相關產品
– Sales of automotive floor carpets	– 汽車地毯的銷售
– Sales of other automotive parts	– 其他汽車配件的銷售
Sales of rubber	橡膠的銷售
Sales of food products	食品的銷售

For the year ended 31 December 2023, the Group's revenue decrease to approximately RMB113.7 million, compared to approximately RMB184.0 million in 2022, representing a decrease of approximately 38.2%. The decrease in the Group's revenue was mainly attributable to the decrease in revenue of sale of automotive floor carpets.

Gross profit

As a result of improvement of production efficiency after the relocation of production lines, for the year ended 31 December 2023, the Group's gross profit increase by approximately RMB11.3 million to approximately RMB30.8 million.

Other net gain/(losses)

For the year ended 31 December 2023, the Group's other net gain or losses changed from a loss of approximately RMB19.1 million in 2022 to a gain of approximately RMB5.0 million in 2023. It was mainly due to fair value gain on financial assets at fair value through profit or loss ("FVTPL") of approximately RMB6.3 million in 2023, as compared to a fair value loss on FVTPL of approximately RMB20.3 million in 2022. The fair value gain on financial assets at FVTPL mainly comprised of the fair value gain on investment in listed equity securities of China Investment and Finance Group Limited (approximately RMB4.8 million). Further information of the financial assets at FVTPL are disclosed in the "Significant Investments" section below.

財務回顧**收入**

截至二零二三年及二零二二年十二月三十一日止年度，本集團的收入載列如下：

Year ended 31 December		2023	2022
截至十二月三十一日止年度		二零二三年	二零二二年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		88,766	136,083
		24,907	34,769
		–	5,599
		–	7,585
		113,673	184,036

截至二零二三年十二月三十一日止年度，本集團的收入減少至約人民幣113.7百萬元，二零二二年則為約人民幣184.0百萬元，減幅約為38.2%。本集團收入減少主要由於汽車地毯的銷售收入減少所致。

毛利

由於生產線搬遷後生產效益提高，截至二零二三年十二月三十一日止年度，本集團的毛利增加約人民幣11.3百萬元至約人民幣30.8百萬元。

其他收益／（虧損）淨額

截至二零二三年十二月三十一日止年度，本集團的其他收益或虧損淨額由二零二二年的虧損約人民幣19.1百萬元轉變為至二零二三年的收益約人民幣5.0百萬元，主要是由於二零二三年錄得按公平值於損益列賬（「按公平值於損益列賬」）的金融資產的公平值收益約人民幣6.3百萬元，而二零二二年錄得按公平值於損益列賬的金融資產的公平值虧損約人民幣20.3百萬元。按公平值於損益列賬的金融資產的公平值收益主要包括於中國投融資集團有限公司的上市股本證券的投資的公平值收益（約人民幣4.8百萬元）。有關按公平值於損益列賬的金融資產之進一步資料披露於下文「重大投資」一節。

CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

主席報告及管理層討論與分析 (續)

The other net gain or losses also composed of a loss on deconsolidation of subsidiaries of approximately RMB6.5 million. Details of the loss on deconsolidation of subsidiaries ("Deconsolidation") are set out in "MODIFIED AUDIT OPINION" section as below and Note 44 to the consolidated financial statements.

Administrative expenses

The Group's administrative expenses decreased by approximately RMB21.5 million to approximately RMB20.7 million for the year ended 31 December 2023, which mainly due to one-off compensation to the staff of approximately RMB8.1 million and loss on disposal of property, plant and equipment of approximately RMB10.0 million in connection with the relocation of production lines from Wuxi to Cangzhou and Chengdu in 2022. The Group's administrative expenses mainly consist of employee benefits expenses including Director's emoluments and staff costs of approximately RMB10.6 million (2022: RMB14.9 million) and depreciation of right-of-use assets of approximately RMB2.4 million (2022: RMB2.9 million).

Profit/(loss) attributable to the owners of the Company

The profit attributable to the owners of the Company was approximately RMB30.0 million for the year of 2023 compared with a loss of approximately RMB78.6 million for the corresponding period of 2022. The turnaround are primarily attributable to fair value gain on financial assets at fair value through profit or loss, and reversal of net allowance for expected credit losses of approximately RMB27.5 million during the year ended 31 December 2023.

PROSPECT AND OUTLOOK

The Board expects that 2024 will be a challenging year for the business of manufacturing and sale of nonwoven fabric related products as the continuously increase in production costs for maintaining competitiveness and enhancing safety requirements to cope with the development of the automotive industry.

To maintain competitiveness, the Group will still deploy its resources on:

- (1) upgrading the production lines in order to improve the production efficiency;
- (2) installing new machineries to suit the customers' varying requirements and demands on high-end products;
- (3) conducting research and development to keep up with the latest technological trends in relation to product specifications; and

其他收益或虧損淨額亦包括終止綜合入賬附屬公司之虧損約人民幣6.5百萬元。終止綜合入賬附屬公司(「終止綜合入賬」)之虧損的詳情載於下文「非標準審計意見」一節及綜合財務報表附註44。

行政開支

截至二零二三年十二月三十一日止年度，本集團的行政開支減少約人民幣21.5百萬元至約人民幣20.7百萬元，主要由於二零二二年就生產線由無錫搬遷至滄州及成都向員工支付一次性補償約人民幣8.1百萬元以及出售物業、廠房及設備虧損約人民幣10.0百萬元。本集團的行政開支主要包括僱員福利開支(包括董事薪酬及員工成本)約人民幣10.6百萬元(二零二二年：人民幣14.9百萬元)及使用權資產折舊約人民幣2.4百萬元(二零二二年：人民幣2.9百萬元)。

本公司擁有人應佔溢利／(虧損)

本公司擁有人應佔溢利於二零二三年約為人民幣30.0百萬元，而二零二二年同期虧損則約為人民幣78.6百萬元。扭虧為盈主要由於截至二零二三年十二月三十一日止年度錄得按公平值於損益列賬的金融資產的公平值收益及撥回預期信貸虧損撥備淨額約人民幣27.5百萬元。

前景及展望

董事會預期，為保持競爭力及提高安全要求以應對汽車業發展，導致生產成本持續增加，故二零二四年對無紡布相關產品製造及銷售業務而言將會挑戰重重。

為維持競爭力，本集團仍將繼續投放資源於：

- (1) 將生產線升級，以改善生產效率；
- (2) 安裝新機器，以迎合客戶對高端產品不停轉變的要求及需求；
- (3) 進行研發，以在有關產品規格的最新技術趨勢上與時並進；及

CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

主席報告及管理層討論與分析 (續)

- (4) strengthening the quality control systems to retain customer loyalty and reinforce the Group's reputation in the nonwoven fabric related products industry in the PRC.

As a result of the increasing risk of volatility in rubber price since the fluctuation in price of crude oil, the Group would be cautious in accepting orders to avoid any downside exposure.

In addition, the Group will continue to adopt a prudent approach to manage its money lending business and on the other hands to seek for opportunities to expand this operation.

Going forward, with a view to achieving better return and enhancing the expansion of the Group, the Group will look for potential investment opportunities to diversify its business scope.

MODIFIED AUDIT OPINION

The Company's auditor expressed an disclaimer of opinion on the consolidated financial statements of the Group for the financial year ended 31 December 2023 ("Disclaimer"), which mainly arises from loss of control of Loyal Brands International Limited and its subsidiaries ("Loyal Brands Group").

The Group acquired Loyal Brands Group, including Grand York Limited, Giant Faith Holdings Limited, 深圳文嘉勝商貿有限公司 and 深圳隆信堂食品有限公司 in May 2017. Loyal Brands Group principally engaged in trading of food products.

In or around November 2023, the Board was informed by Mr. Wong Ho Yin, the former director of the Company, that the business and accounting records of Loyal Brands Group were unable to located ("the Incident"). He has also tried to contact the former person-in-charge of Loyal Brands Group (the "Responsible Staff"), who was the only one in Hong Kong managed business of trading of food products of Loyal Brands Group, but he was unable to obtain its accounting books and records (the "Relevant Record").

As no relevant personnel in Hong Kong, the Company could not take appropriate action until a new executive director, Mr. Ng Chung Ho ("Mr. Ng"), was appointed on 27 December 2023.

In the first half of January 2024, Mr. Ng had thoroughly searched all the files and documents kept in the office in Hong Kong and was unable to locate the Relevant Record. On 6 February 2024, Mr. Ng tried to contact the Responsible Staff but was unable to obtain positive response and cooperation. Mr. Ng further contacted the former director of Loyal Brands Group but he replied that he did not have any Relevant Record. The Company then informed the auditors regarding the loss of control over Loyal Brands Group.

- (4) 加強質量監控系統，以確保顧客繼續支持並鞏固本集團於中國無紡布相關產品行業的口碑。

由於原油價格波動導致橡膠價格波動的風險增加，故本集團於接納訂單時將採取審慎態度，以避免任何負面影響。

此外，本集團將繼續採取審慎方法管理放貸業務，亦會尋求機會擴展該業務。

展望未來，為實現更豐厚回報及促進本集團的擴展，本集團將物色有潛力的投資商機，務求多元化發展其業務。

非標準審計意見

本公司核數師對本集團截至二零二三年十二月三十一日止財政年度的綜合財務報表不發表意見（「不發表意見」），主要由於本公司失去了對Loyal Brands International Limited及其附屬公司（「Loyal Brands集團」）的控制權。

本集團於二零一七年五月收購Loyal Brands集團，包括Grand York Limited、Giant Faith Holdings Limited、深圳文嘉勝商貿有限公司及深圳隆信堂食品有限公司。Loyal Brands集團主要從事食品買賣。

於二零二三年十一月或前後，董事會獲本公司前董事黃浩然先生告知，無法找到Loyal Brands集團的業務及會計記錄（「該事件」）。彼亦已嘗試聯絡Loyal Brands集團的前負責人（「負責人員」），負責人員是唯一一個在香港管理Loyal Brands集團食品貿易業務的人員，但彼無法取得Loyal Brands集團的賬簿及記錄（「相關記錄」）。

由於在香港並無相關人員，本公司無法採取適當行動，直至新執行董事伍忠豪先生（「伍先生」）於二零二三年十二月二十七日獲委任。

於二零二四年一月的上半月，伍先生徹底搜索了香港辦事處保存的所有文檔及文件，但並未能找到相關記錄。於二零二四年二月六日，伍先生嘗試聯繫負責人員，但無法獲得正面回應及合作。伍先生進一步聯絡到Loyal Brands集團的前董事，但Loyal Brands集團的前董事回覆稱，彼並無任何相關記錄。本公司隨後通知核數師其失去了對Loyal Brands集團的控制權。

CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

主席報告及管理層討論與分析 (續)

As the business of trading of food products which operated by Loyal Brands Group was not significant to the Group and no relevant personnel within the Group was able to resume the business, the Board decided to dispose Loyal Brands Group to reduce the financial and compliance risk of the Group. On 14 March 2024, the Group disposed Loyal Brands Group with a cash consideration of HK\$1 million to an independent third party (the "Disposal").

In light of the above, the Company considered that it had lost control over Loyal Brands Group since 1 January 2023 and deconsolidated Loyal Brands Group from the consolidated financial statements accordingly and incurred a loss on deconsolidation of subsidiaries of approximately RMB6.47 million. The auditor was unable to obtain sufficient appropriate audit evidence to satisfy as to whether the Deconsolidation treatment and the loss on Deconsolidation had been accurately recorded and properly accounted for in the consolidated financial statements ("Audit Issue").

Management's position and the Audit Committee's view

The management of the Company (the "Management") understood the Incident and concurred with the basis of the Disclaimer. The Management's view is consistent with the auditor's view.

The audit committee of the Company (the "Audit Committee") had critically reviewed the basis for the Disclaimer. The Audit Committee had also discussed with the auditors regarding the Incident, and considered the auditor's rationale and understood their consideration in arriving the Disclaimer.

Plans to address the modifications

The Board considered the Disclaimer given by the auditors was based on loss of control of Loyal Brand Group and was a non-recurrent event. Since the completion of the Disposal in March 2024, Loyal Brands Group ceased to be subsidiaries of the Company and the Company ceased to have any interests in Loyal Brands Group. In addition, the financial impact of the Incident was reflected in the consolidated financial statements in 2023. It is expected that there will not be any adverse change of the consolidated financial statements of the Group in the next financial year and the subsequent years.

由於Loyal Brands集團經營的食品買賣業務對本集團而言並不重大，且本集團內並無相關人員能夠恢復該業務，董事會已決定出售Loyal Brands集團，以降低本集團的財務及合規風險。於二零二四年三月十四日，本集團以現金代價1百萬港元向一名獨立第三方出售Loyal Brands集團（「出售事項」）。

鑑於上述情況，本集團認為其自二零二三年一月一日起已失去對Loyal Brands集團的控制權，相應將Loyal Brands集團從綜合財務報表中剔除並產生終止入賬附屬公司虧損約人民幣6.47百萬元。核數師未能取得足夠適當的審計憑證，以信納終止綜合入賬的處理及終止綜合入賬的虧損是否已於綜合財務報表準確記錄及妥為入賬（「審計問題」）。

管理層的立場及審核委員會的意見

本公司管理層（「管理層」）了解了該事件並認同不發表意見的依據。管理層的意見與核數師的意見一致。

本公司審核委員會（「審核委員會」）已認真審閱了不發表意見的依據。審核委員會亦已與核數師就該事件進行討論，並考慮了核數師的理據及了解彼等於達致不發表意見時的考量因素。

解決非標準意見的計劃

董事會認為，核數師不發表意見乃基於本集團失去對Loyal Brands集團的控制權，而這非經常性事件。自二零二四年三月完成出售事項以來，Loyal Brands集團不再為本公司的附屬公司，而本公司不再於Loyal Brands集團擁有任何權益。此外，該事件的財務影響已於二零二三年度的綜合財務報表中反映。預期本集團之綜合財務報表於下一個財政年度及其後年度將不會出現任何不利變動。

CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

主席報告及管理層討論與分析 (續)

Based on the communication with the auditors, the Board (including the Audit Committee) and the auditors concurred that if the Company could provide sufficient audit evidence to the auditors to support the Disposal for the year ending 31 December 2024, except for the audit modifications on (1) the opening balances in relation to the Deconsolidation and the amount recognized in relation to the Disposal to be stated in the consolidated financial statements of the Group for the year ending 31 December 2024, and (2) the comparative figures to be stated in the consolidated financial statements of the Group for the year ending 31 December 2025, there would not be other audit modifications in respect of the matters referred to above. In respect of the consolidated financial statements of the Group for the year ending 31 December 2025, any audit modifications should solely relate to the comparability of 2024 figures. Accordingly, the Audit Issue will not have any continuing effect on the consolidated financial statements of the Group for the year ending 31 December 2026 and the subsequent years.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally financed its operations by internal cash resources and bank financing during 2023. At 31 December 2023, cash and bank balances of the Group amounted to approximately RMB26.0 million (2022: RMB25.3 million), and approximately RMB10.3 million (2022: RMB12.9 million) of which are denominated in Hong Kong dollars and United States dollars.

At 31 December 2023, the Group's liquidity ratio, represented by the ratio of current assets over current liabilities, and gearing ratio, represented by the ratio of total liabilities to total assets, were 1.56 (2022: 1.41) and 0.43 (2022: 0.60) respectively.

CAPITAL STRUCTURE

There has been no material change in the capital structure of the Group during the year 31 December 2023.

FOREIGN EXCHANGE EXPOSURE

Majority of the assets and liabilities of the Group were denominated in Renminbi, United States dollars and Hong Kong dollars. At 31 December 2023, the Group had no significant exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives.

根據與核數師的溝通，董事會（包括審核委員會）及核數師認同，倘於截至二零二四年十二月三十一日止年度，本公司能夠向核數師提供足夠的審計憑證以支持出售事項，則除對(1)於本集團截至二零二四年十二月三十一日止年度的綜合財務報表中呈列的與終止綜合入賬有關的期初結餘及就出售事項確認的金額及(2)本集團截至二零二五年十二月三十一日止年度的綜合財務報表中所載的比較數字給出非標準審計意見外，就上述事項將不會作出其他非標準審計意見。就本集團截至二零二五年十二月三十一日止年度的綜合財務報表而言，任何非標準審計意見應僅與二零二四年的比較數字有關。因此，審計問題將不會對本集團截至二零二六年十二月三十一日止年度及其後年度的綜合財務報表產生任何持續影響。

流動性及財務資源

於二零二三年度，本集團一般透過內部現金資源及銀行融資撥付其營運。於二零二三年十二月三十一日，本集團現金及銀行結餘約為人民幣26.0百萬元（二零二二年：人民幣25.3百萬元），其中約人民幣10.3百萬元（二零二二年：人民幣12.9百萬元）以港元及美元列值。

於二零二三年十二月三十一日，本集團的流動性比率（即流動資產佔流動負債的比率）及資產負債比率（即負債總額與資產總值的比率）分別為1.56（二零二二年：1.41）及0.43（二零二二年：0.60）。

資本結構

於截至二零二三年十二月三十一日止年度，本集團之資本結構概無重大變動。

外匯風險

本集團大部分資產及負債以人民幣、美元及港元列值。於二零二三年十二月三十一日，本集團概無因外匯合約、利息、貨幣掉期或其他金融衍生工具而面臨任何重大風險。

CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

主席報告及管理層討論與分析(續)

SIGNIFICANT INVESTMENTS

At 31 December 2023, the Group held (i) approximately 8.0 million shares (approximately 1.9%) of China Investment and Finance Group Limited ("CI"), (ii) approximately 22.8 million shares (approximately 2.6%) of Wealth Glory Holdings Limited ("WG"), (iii) approximately 11.0 million shares (approximately 4.8%) of Lerado Financial Group Company Limited ("LF"), and (iv) approximately 4.5 million shares (approximately 1.8%) of Tai Kam Holdings Limited ("TK"). CI, WG, LF and TK were the companies listed on the Hong Kong Stock Exchange. CI is principally engaged in investment holding and trading of securities. WG is principally engaged in trading of natural resources and commodities; money lending business; development and promotion of brands, design, manufacture and sale of trendy fashion merchandises and other consumer products; and investment in securities. LF is principally engaged in providing financial services including securities broking, margin financing and money lending etc., as well as manufacturing and distributing children plastic toys and medical care products. TK is principally engaged in undertaking site formation works and renovation works in Hong Kong.

The Group's investment in CI, WG, LF and TK were collectively referred to as the "Significant Investments".

Detail of the Significant Investments are as follows:

		Year ended 31 December 2023 截至二零二三年 十二月三十一日 止年度	At 31 December 2022 於二零二二年 十二月三十一日		
		Fair Value gain/(loss) 公平值 收益/(虧損) RMB'000 人民幣千元 (Audited) (經審核)	Fair Value 公平值 RMB'000 人民幣千元 (Audited) (經審核)	Approximate percentage to the total assets 佔資產總額之 概約百分比 (Audited) (經審核)	Fair Value 公平值 RMB'000 人民幣千元 (Audited) (經審核)
CI	中國投融資	4,826	7,762	2.9%	-
WG	富譽	(351)	3,109	1.2%	3,370
LF	隆成金融	796	2,700	1.0%	2,850
TK	泰錦	1,063	2,011	0.8%	-

重大投資

於二零二三年十二月三十一日，本集團持有(i)中國投融資集團有限公司(「中國投融資」)約8.0百萬股股份(約1.9%)、(ii)富譽控股有限公司(「富譽」)約22.8百萬股股份(約2.6%)、(iii)隆成金融集團有限公司(「隆成金融」)約11.0百萬股股份(約4.8%)及(iv)泰錦控股有限公司(「泰錦」)約4.5百萬股股份(約1.8%)。中國投融資、富譽、隆成金融及泰錦均為於香港聯交所上市的公司。中國投融資主要從事投資控股及證券買賣。富譽主要從事天然資源及商品貿易；放債業務；開發及推廣品牌、設計、製造及銷售時尚服飾及其他消費品；以及證券投資。隆成金融主要經營包括證券經紀、孖展融資及放貸等金融服務，以及兒童塑膠玩具及醫療產品之製造及分銷。泰錦主要於香港從事地盤平整工程及裝修工程。

本集團於中國投融資、富譽、隆成金融及泰錦之投資統稱為「重大投資」。

重大投資詳情如下：

CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

主席報告及管理層討論與分析 (續)

At 31 December 2023, the financial assets at FVTPL comprised 17 listed equity securities in Hong Kong and except the above, there was no investment held by the Group which value was more than 1% of the total assets of the Group.

Looking ahead, the value of the Significant Investments may be susceptible to the overall equity market conditions.

MATERIAL ACQUISITIONS OR DISPOSALS

There was no material acquisitions or disposal of subsidiaries and affiliated companies by the Group for the year ended 31 December 2023.

PLEDGE ON ASSETS

At 31 December 2023, the Group's investment property with a carrying amounts of approximately RMB3.8 million (2022: RMB4.1 million) and leasehold land with a carrying amounts of approximately RMB2.2 million (2022: RMB2.3 million) were pledged to banks for bank borrowings.

EMPLOYEES AND REMUNERATION POLICY

At 31 December 2023, the Group employed a total of 96 employees (2022: 96). The gender ratio of the Group's workforce (including senior management) was approximately 72.9% male to approximately 27.1% female. The Group shall continue to take into account diversity perspectives including gender diversity in its hiring of employees from time to time. The remuneration policy of the employees of the Group was set up by the Board on the basis of their experience, qualifications and competence. Other employees' benefits include contributions to statutory mandatory provident funds, and social insurance together with housing provident funds to its employees in Hong Kong and the PRC respectively.

A remuneration committee (the "Remuneration Committee") was set up for, inter alia, reviewing the Group's remuneration policy and structure for all directors and senior management of the Group.

APPRECIATION

On behalf of the Group, I would like to take this opportunity to express my sincere gratitude to all of our customers, business partners and investors for their support and trust towards the Group. Further, I would like to express my sincere thanks to our Directors and employees for their dedications and contributions to the Group.

By order of the Board

Zhuang Yuejin
Chairman and Chief Executive Officer

Hong Kong, 31 March 2024

於二零二三年十二月三十一日，按公平值於損益列賬的金融資產包括17隻香港上市股本證券，除以上所述者外，本集團並無持有價值高於本集團總資產1%之任何投資。

展望未來，重大投資之價值可能受整體股市市況影響。

重大收購或出售

於截至二零二三年十二月三十一日止年度，本集團概無就附屬公司及聯屬公司進行重大收購或出售。

抵押資產

於二零二三年十二月三十一日，本集團賬面值約人民幣3.8百萬元（二零二二年：人民幣4.1百萬元）的投資物業及賬面值約人民幣2.2百萬元（二零二二年：人民幣2.3百萬元）的租賃土地已抵押予銀行作為銀行借款之擔保。

僱員及薪酬政策

於二零二三年十二月三十一日，本集團共聘用96名僱員（二零二二年：96名）。本集團僱員（包括高級管理層）的性別比例為男性約佔72.9%及女性約佔27.1%。本集團在不時聘用僱員時，將繼續考慮多元化觀點，包括性別多元化。本集團的僱員薪酬政策乃由董事會根據彼等的經驗、資歷及工作能力而制定。其他僱員福利分別包括香港及中國僱員的法定強制性公積金、社會保險以及住房公積金供款。

薪酬委員會（「薪酬委員會」）已告成立，旨在（其中包括）檢討本集團所有董事及高級管理層的薪酬政策及結構。

鳴謝

本人謹代表本集團，藉此機會向本集團之所有客戶、業務夥伴及投資者對本集團的支持和信任致以衷心的謝意。此外，本人亦衷心感謝我們的董事及僱員對本集團作出的努力和貢獻。

承董事會命

莊躍進
主席兼行政總裁

香港，二零二四年三月三十一日

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層的履歷資料

EXECUTIVE DIRECTORS

Mr. Zhuang Yuejin, aged 61, is the Chairman of the Board, Chief Executive Officer of the Company and founder of the Group. He was appointed as an executive Director on 12 April 2010. He has over 15 years of experience in the nonwoven textile industry. He is responsible for formulating the Group's corporate strategy, overseeing its production operations and the overall steering of the Group's strategic development.

Mr. Zhuang graduated from Xiamen Fisheries College in 1981 and was approved as a qualified engineer by the Intermediate Level Adjudication Committee of Xiamen City Marine Engineering Department in 1990. From 1997 to 2001, Mr. Zhuang was the director and the general manager of Xiamen Marine Industries (Group) Co., Limited, a PRC incorporated company and was previously listed on the Shenzhen Stock Exchange.

Mr. Ng Chung Ho, aged 48, was appointed as an executive Director on 27 December 2023. Mr. Ng has over 20 years of experience in corporate management and extensive experience and business networks in Hong Kong and the PRC. Prior to joining the Group, he was a chief executive officer of a insurance broker which is permitted to carry on businesses in general insurance and long term (including linked long term) insurance in Hong Kong.

Mr. Ng was also an executive chairman of Guangdong-Hong Kong-Macao Greater Bay Area Youth Society (粵港澳大灣區青年協會) and a director of the board in AD & FD POHL Mrs Cheng Yam On School.

Ms. Xiao Suni, aged 40, was appointed as an executive Director on 14 October 2014. She has over 10 years of experience in the field of international trading and marketing. She holds a Bachelor of Arts degree from Nanjing Army Command College, the PRC with major in English. Prior to joining the Group, she worked for a door-window manufacturer in the PRC as foreign trade manager, in which her responsibilities focused on overall management of foreign sales and marketing.

執行董事

莊躍進先生，61歲，為董事會主席、本公司行政總裁及本集團創辦人。彼於二零一零年四月十二日獲委任為執行董事。彼於非織造行業積累逾15年經驗。彼負責制定本集團的公司策略、監管生產經營及本集團策略發展的整體方向。

莊先生於一九八一年畢業於廈門市水產大專班，並於一九九零年獲廈門市水產工程技術中級職務評審委員會批准為合資格工程師。一九九七年至二零零一年間，莊先生曾於一間在中國註冊成立的公司廈門海洋實業(集團)股份有限公司擔任董事兼總經理，該公司之前於深圳證券交易所上市。

伍忠豪先生，48歲，於二零二三年十二月二十七日獲委任為執行董事。伍先生於企業管理方面擁有逾20年經驗，並於香港及中國擁有豐富經驗及廣泛的業務網絡。於加入本集團前，彼於一間獲准於香港從事一般保險及長期保險(包括連結式長期險)業務之保險經紀公司擔任行政總裁。

伍先生亦擔任粵港澳大灣區青年協會之執行主席及博愛醫院歷屆總理聯誼會鄭任安夫人學校董事會之董事。

肖蘇妮女士，40歲，於二零一四年十月十四日獲委任為執行董事。彼於國際貿易及市場推廣行業擁有逾10年經驗。彼持有中國南京陸軍指揮學院文學士學位，主修英語。於加入本集團前，彼於一家中國門窗製造商擔任外貿經理一職，主要負責外國銷售及市場推廣的整體管理。

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

董事及高級管理層的履歷資料(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Mak Wai Ho, aged 51, was appointed as an independent non-executive Director on 9 September 2011. He was graduated from the Hong Kong University of Science and Technology with a Bachelor degree in Business Administration in Finance. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and a practising member of the Hong Kong Institute of Certified Public Accountants. He is a practising certified public accountant and has more than 20 years of experience in finance, accounting and auditing.

Ms. Ng Li La, Adeline, aged 45, was appointed as an independent non-executive Director on 4 September 2015. Ms. Ng has over 10 years of experience in human resources and corporate management. Ms. Ng obtained a Certificate of Human Resources Management from Hong Kong Baptist University in 2011 and was a senior administrative officer of a renowned international information technology company in Hong Kong.

Ms. Zhu Chunyan, aged 47, was appointed as an independent non-executive Director on 2 September 2016. Ms. Zhu was graduated from Xiangtan University, China, with a bachelor's degree majoring in finance and accounting in July 1999. Prior to joining the Group, she worked for a sizable travel related services company in the PRC as an accountant and gained extensive knowledge in corporate finance and management.

SENIOR MANAGEMENT

Ms. Wu Danping, aged 49, is the manager of the accounting department of Joystar (Wuxi) Automotive Interior Decoration Co., Ltd. ("Joystar Wuxi"). Ms. Wu is responsible for the financial reporting and the management of the accounting and finance department of Joystar Wuxi.

Ms. Wu obtained the Certificate of Accounting Professional issued by the Jiangsu Province Department of Finance and the Qualification Certificate of Specialty and Technology with specialty in accountancy conferred by the Ministry of Finance of the PRC in 1997 and 2006 respectively.

In 2008, Ms. Wu completed an online diploma programme in accountancy from China Agricultural University. She has 18 years of experience in financial accounting and reporting.

獨立非執行董事

麥偉豪先生，51歲，於二零一一年九月九日獲委任為獨立非執行董事。彼畢業於香港科技大學，持有工商管理學(財務)學士學位。彼為英國特許公認會計師公會的資深會員及香港會計師公會的執業會員。彼為執業會計師，於金融、會計及核數範疇積累逾20年經驗。

吳莉娜女士，45歲，於二零一五年九月四日獲委任為獨立非執行董事。吳女士於人力資源與企業管理方面有超過10年經驗。吳女士於二零一一年取得香港浸會大學人力資源管理證書及曾為香港一間知名國際資訊科技公司之高級行政人員。

朱春燕女士，47歲，於二零一六年九月二日獲委任為獨立非執行董事。朱女士於一九九九年七月畢業於中國湘潭大學並獲授學士學位，主修金融與會計。於加入本集團之前，彼曾擔任中國一間大型旅遊服務相關公司之會計師及於企業融資及管理方面累積豐富知識。

高級管理層

吳丹萍女士，49歲，為怡星(無錫)汽車內飾件有限公司(「怡星(無錫)」)的會計部經理。吳女士負責財務報告及管理怡星(無錫)會計及財務部。

吳女士分別於一九九七年及二零零六年取得江蘇省財政廳頒發的會計從業資格證書及中國財政部授予的專業技術資格證書(會計專業)。

於二零零八年，吳女士完成中國農業大學的一個網上會計文憑課程。彼在財務會計及申報領域擁有18年經驗。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board is pleased to present the corporate governance report for the year ended 31 December 2023. This report highlights the key corporate governance practices of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to protect the interests of the shareholders of the Company. The Company's corporate governance practices are based on principles and code provisions as set out in the Corporate Governance Code ("Code") in Appendix C1 to the Listing Rules.

Except for the deviation from Code provision C.2.1, the Company complied with the Code for the year ended 31 December 2023.

Code provision C.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Zhuang Yuejin is the Chairman and the Chief Executive Officer of the Company. Such deviation from Code provision C.2.1 is deemed appropriate as it is considered to be more efficient to have one single person as the Chairman of the Company as well as to discharge the executive functions of a chief executive officer, and it provides the Group with strong and consistent leadership in the development and execution of long term business strategies. The Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises highly experienced individuals. There are three independent non-executive Directors on the Board. All of them possess adequate independence and therefore the Board considers the Company has achieved balance and provided sufficient protection of its interests.

董事會欣然呈列截至二零二三年十二月三十一日止年度之企業管治報告。本報告載列本公司的主要企業管治常規。

企業管治常規

本公司致力保持高水平的企業管治，以保障本公司股東的利益。本公司的企業管治常規乃基於上市規則附錄C1的企業管治守則（「守則」）所載的原則及守則條文。

除偏離守則條文第C.2.1條外，本公司於截至二零二三年十二月三十一日止年度已遵守守則。

守則條文第C.2.1條規定主席與行政總裁的角色應予區分，並不應由一人同時兼任。莊躍進先生為本公司主席及行政總裁。守則條文第C.2.1條的有關偏離情況被視為恰當，原因是董事會認為一人同時兼任本公司主席並履行行政總裁的執行職務更具效率，並為本集團提供穩固且貫徹一致的領導，方便發展及推行長遠的業務策略。董事會深信，基於董事經驗豐富，董事會的運作能充分確保權力及權限得到制衡。董事會三位獨立非執行董事。由於彼等的獨立性均屬足夠，故此董事會認為本公司已取得平衡及充分保障其利益。

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Listing Rules. Having made specific enquiry with all Directors, the Company confirmed that all Directors have complied with the code of conduct and the required standard of dealings concerning securities transactions by the Directors during the year 31 December 2023.

BOARD OF DIRECTORS

As at 31 December 2023, the Board comprises three executive Directors and three independent non-executive Directors as follows:

Executive Directors

Mr. Zhuang Yuejin (*Chairman*)
Mr. Ng Chung Ho
Ms. Xiao Suni

Independent non-executive Directors

Mr. Mak Wai Ho
Ms. Ng Li La, Adeline
Ms. Zhu Chunyan

The composition of the Board is well balanced with each Director having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. The biographical details of the Directors and the relationship among the members of the Board are set out in the section headed "Biographical Information of Directors and Senior Management" on pages 13 to 14 of this report.

Generally, the responsibilities of the Board include:

- Formulation of overall strategic development of the Group;
- Monitoring the financial performance, risk management and internal control systems of the Group's business operations;
- Evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that appropriate and effective risk management and internal control systems are in places;

有關董事進行證券交易的行為守則

本公司已採納有關董事進行證券交易的行為守則，其條款並不比上市規則附錄C3上市發行人董事進行證券交易的標準守則所載之交易準則規定寬鬆。經向全體董事作出特定查詢後，本公司確認全體董事於截至二零二三年十二月三十一日止年度內均一直遵守行為守則及有關董事進行證券交易的交易準則規定。

董事會

於二零二三年十二月三十一日，董事會由下列三名執行董事及三名獨立非執行董事組成：

執行董事

莊躍進先生 (主席)
伍忠豪先生
肖蘇妮女士

獨立非執行董事

麥偉豪先生
吳莉娜女士
朱春燕女士

董事會的結構平衡，每名董事均具備充分的行業知識、廣泛的企業及策略規劃經驗及／或與本集團業務有關的專門技術。董事的履歷詳情及董事會成員之間的關係載於本報告第13頁至第14頁的「董事及高級管理層的履歷資料」一節。

一般而言，董事會的職責包括：

- 制定本集團的整體策略發展；
- 監察本集團業務經營的財務表現、風險管理及內部監控系統；
- 評估及釐定本集團為達成戰略目標所願承擔的風險性質及程度，並確保已制定適當及有效的風險管理及內部監控系統；

CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告(續)

- Material acquisitions, investments, disposal of assets or any significant capital expenditure;
- Appointment, removal or reappointment of Board members and auditors;
- Remuneration of Directors;
- Communications with key stakeholders;
- Recommendation and declaration of any interim and final dividends.
- 重大收購、投資、出售資產或任何重大資本開支；
- 委任、罷免或重新委任董事會成員及核數師；
- 董事酬金；
- 與主要持份者溝通；
- 建議及宣派任何中期及末期股息。

Executive Directors are responsible for running the Group and executing the strategies adopted by the Board. The Board delegates day-to-day activities to the management with department heads responsible for different aspects of the business. The non-executive Directors serve the relevant function of bringing independent judgment on the development, performance and risk management of the Group through their contributions in board meetings. They are also serving on Remuneration Committee, nomination committee of the Company (the "Nomination Committee") and Audit Committee.

During the year 31 December 2023, the Board complies with the requirement of the Listing Rules relating to the appointment of at least three independent non-executive Directors and at least one of them has appropriate professional qualifications or accounting or related financial management expertise. The independent non-executive Directors do not hold any management position in the Group. The Company has received from each independent non-executive Director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers all the independent non-executive Directors to be independent.

執行董事負責經營本集團及執行董事會所採納之策略。董事會將日常活動指派予管理層，其中各部門主管負責不同範疇的業務。非執行董事透過參與董事會會議，履行對本集團的發展、表現及風險管理作出獨立判斷的有關職能。彼等亦為薪酬委員會、本公司提名委員會（「提名委員會」）及審核委員會成員。

於截至二零二三年十二月三十一日止年度，董事會遵守上市規則之規定，委任至少三名獨立非執行董事及當中至少一名擁有適當專業資格，或擁有會計或相關財務管理的專長。獨立非執行董事並無於本集團擔任任何管理職位。本公司已根據上市規則第3.13條接獲各獨立非執行董事就其獨立性作出之年度確認。本公司認為，全體獨立非執行董事均屬獨立人士。

CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告 (續)

The Board normally has four regular meetings a year at quarterly interval and meets as and when required to discuss the overall business, development strategy, operations and financial reporting of the Company. The Directors can attend meetings in person or through other means of electronic communication in accordance with the Company's articles of association. During the year ended 31 December 2023, four Board meetings and one general meeting were held. The following table shows the attendance of individual Directors at the meetings held during the year ended 31 December 2023:

Members	No. of attendance		成員	出席次數	
	General meetings	Board meetings		股東大會	董事會會議
<i>Executive Directors</i>			<i>執行董事</i>		
Mr. Zhuang Yuejin	1/1	4/4	莊躍進先生	1/1	4/4
Mr. Ng Chung Ho (appointed on 27 December 2023)	0/0	0/0	伍忠豪先生 (於二零二三年十二月二十七日獲委任)	0/0	0/0
Ms. Xiao Suni	1/1	4/4	肖蘇妮女士	1/1	4/4
Mr. Wong Ho Yin (resigned on 18 October 2023)	1/1	3/3	黃浩然先生 (於二零二三年十月十八日辭任)	1/1	3/3
<i>Independent Non-executive Directors</i>			<i>獨立非執行董事</i>		
Mr. Mak Wai Ho	1/1	4/4	麥偉豪先生	1/1	4/4
Ms. Ng Li La, Adeline	1/1	4/4	吳莉娜女士	1/1	4/4
Ms. Zhu Chunyan	1/1	4/4	朱春燕女士	1/1	4/4

董事會通常每年召開四次例會，每季舉行一次，及於有需要時會晤，以討論本公司的整體業務、發展策略、營運及財務申報事宜。董事可親身或透過本公司組織章程細則所容許之其他電子通訊方式出席會議。於截至二零二三年十二月三十一日止年度，舉行了四次董事會會議及一次股東大會。下表載列個別董事於截至二零二三年十二月三十一日止年度出席有關會議之情況：

The Directors will receive details of agenda and minutes of committee meetings in advance of and after each Board meeting respectively. The company secretary will distribute relevant documents to the Directors in a timely manner to enable the Directors to make informed decisions on matters to be raised at the Board meetings. All Directors have access to the advice and services of the company secretary who is responsible for ensuring the procedures of the Board meetings are complied with and advising the Board on compliance matters.

董事分別於每次董事會會議舉行前後收到詳細之議程和委員會會議之記錄。公司秘書將適時向董事分發有關文件，以使董事能就將於董事會會議提出之事宜作出知情決定。全體董事可獲得公司秘書的意見及服務，而公司秘書負責確保董事會會議程序已獲遵守，並就合規事宜向董事會提出建議。

In addition, the Company has maintained a procedure for the Directors to seek independent professional advice, in appropriate circumstances, at the Company's expense in discharging their duties to the Company. Moreover, the company secretary prepares minutes of the Board meetings and keeps records of matters discussed and decisions resolved at all Board meetings. The company secretary also keeps the minutes of the Board meetings, which are open for inspection at any reasonable time on reasonable notice by any Director.

此外，本公司已訂立一套程序，讓董事在合適情況下，於履行其對本公司之職責時，尋求獨立專業意見，而開支由本公司支付。另外，公司秘書亦會就於所有董事會會議上討論之事宜及議決之決定，編製會議記錄並保存有關記錄。公司秘書亦保存董事會會議記錄，並可於任何董事作出合理通知後，在任何合理時間供索閱。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Mr. Zhuang Yuejin is the Chairman and the Chief Executive Officer of the Company. Such deviation from Code provision C.2.1 is deemed appropriate as it is considered to be more efficient to have one single person as the Chairman of the Company as well as to discharge the executive functions of a chief executive officer, and it provides the Group with strong and consistent leadership in the development and execution of long-term business strategies. The Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises highly experienced individuals. There are three independent non-executive Directors on the Board. All of them possess adequate independence and therefore the Board considers the Company has achieved balance and provided sufficient protection of its interests.

APPOINTMENT, RE-ELECTION AND REMOVAL

According to the Company's articles of association, one-third of the Directors are required to retire from office at each annual general meeting, provided that every Director shall be subject to retirement by rotation at least once in every three years. A Director appointed since the most recent annual general meeting shall hold office only until the next general meeting and shall then be eligible for re-election. The independent non-executive Directors were appointed at specific terms for one year.

Newly appointed Director will be arranged a comprehensive, formal and tailored induction which includes provision of key guidelines, documents and publications relevant to their roles, responsibilities and ongoing obligations; a briefing on the Company's structure, businesses, risk management and other governance practices and meeting with other fellow Directors so as to help the newly appointed Directors familiarize with the management, business and governance policies and practices of the Company, and ensure that they have a proper understanding of the operations and businesses of the Company.

CONTINUOUS PROFESSIONAL DEVELOPMENT

Pursuant to Code provision C.1.4, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. All the Directors also understand the importance of continuous professional development and are committed to participate any suitable training or read relevant materials in order to develop and refresh their knowledge and skills. The Company has received from each Director a confirmation of their participation in continuous professional development by attending training course or reading relevant materials on the topics related to corporate governance and regulations.

主席及行政總裁

根據守則條文第C.2.1條，主席與行政總裁的角色應有區分，不應由一人同時兼任。

莊躍進先生為本公司主席兼行政總裁。有關偏離守則條文第C.2.1條的情況被視為恰當，原因是董事會認為一人同時兼任本公司主席並履行行政總裁的執行職務更具效率，並為本集團提供穩固且貫徹一致的領導，方便發展及推行長遠的業務策略。董事會深信，基於董事經驗豐富，董事會的運作能充分確保權力及權限得到制衡。董事會有三名獨立非執行董事。由於彼等的獨立性均屬足夠，故此董事會認為本公司已取得平衡及充分保障其利益。

委任、重選及罷免

根據本公司之組織章程細則，於每屆股東週年大會上，當時三分之一的董事須退任，惟每名董事須至少每三年輪值退任一次。最近期股東週年大會以來獲委任的董事其任期至下屆股東大會為止，並符合資格重選連任。獨立非執行董事按特定條款獲委任一年。

本公司將向新委任董事提供全面、正式及有針對性的入職培訓，包括為其提供與其角色、職責及持續責任有關的重要指引、文件及刊物；有關本公司架構、業務、風險管理及其他管治常規之簡介，並與其他董事會面，從而幫助新委任董事熟悉本公司的管理、業務及管治政策與常規，並確保彼等對本公司的運作及業務均有適當的理解。

持續專業發展

根據守則條文第C.1.4條，全體董事均須參與持續專業發展，以發展及更新彼等的知識及技能，從而確保彼等在具備全面資訊及切合所需的情況下為董事會作出貢獻。全體董事亦明白持續專業發展的重要性，並承諾參與任何適合的培訓或閱讀有關材料，以發展及更新彼等的知識及技能。本公司已接獲各董事的確認書，確認彼等均有透過參與有關企業管治及規例之培訓課程或閱讀有關該主題之相關材料參與持續專業發展。

BOARD DIVERSITY POLICY

The Company adopted a board diversity policy setting out the approach to achieve diversity on the Board and maintain an appropriate balance of diversity properties of the Board that are relevant to the business growth of the Company. The Company considered diversity of board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of services. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of services. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

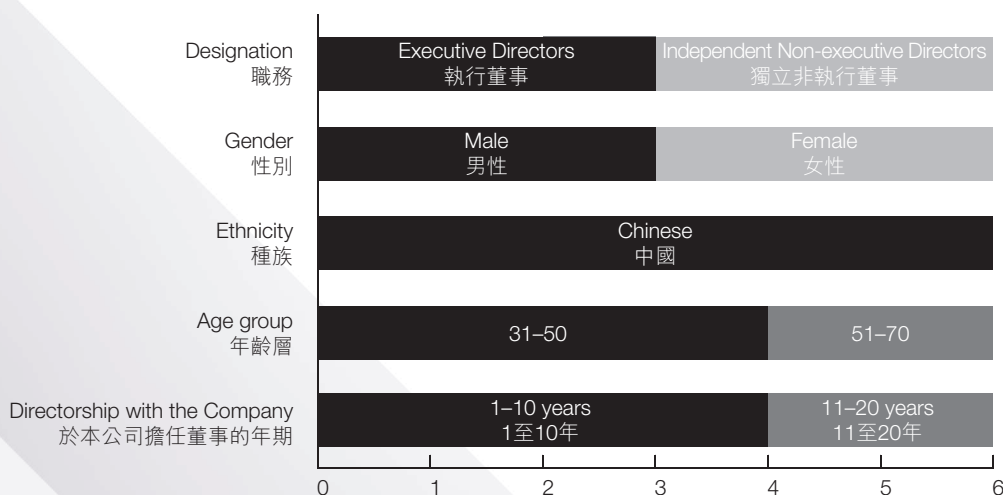
At the date of this report, the composition of the Board under diversified perspectives was summarized as follows:

董事會成員多元化政策

本公司已採納董事會成員多元化政策，其中載有實現董事會成員多元化及保持與本公司業務增長相關的董事會多元化屬性的適當平衡之方式。本公司認為可透過多方面考慮實現董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年期。董事會所有委任將用人唯才，並在考慮候選人時以客觀準則充分顧及董事會成員多元化的裨益。

甄選候選人將基於一系列多元化觀點，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年期。最終決定將按所選候選人的優點及其將為董事會帶來的貢獻而作出。

於本報告日期，多元化角度下董事會的成員組成概述如下：



REMUNERATION COMMITTEE

The Company established a Remuneration Committee on 13 September 2010 with written terms of reference in compliance with the Code. The primary duties of the Remuneration Committee include making recommendations to the Board on the policy and structure for all Directors and senior management, reviewing and making recommendations to the Board on the terms of remuneration packages, determining the award of bonuses and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules. At 31 December 2023, the Remuneration Committee comprises one executive Director, namely, Mr. Zhuang Yuejin and two independent non-executive Directors, namely Mr. Mak Wai Ho (chairman of the Remuneration Committee) and Ms. Zhu Chunyan.

During the year ended 31 December 2023, one meeting was held by the Remuneration Committee to discuss, among other things, the remuneration policy of the Group and determine the remuneration of the Directors. The following table shows the attendance of individual members at the meetings held during the year ended 31 December 2023:

Members	No. of attendance	成員	出席次數
<i>Executive Director</i>		<i>執行董事</i>	
Mr. Zhuang Yuejin	1/1	莊躍進先生	1/1
<i>Independent non-executive Directors</i>		<i>獨立非執行董事</i>	
Mr. Mak Wai Ho	1/1	麥偉豪先生	1/1
Ms. Zhu Chunyan	1/1	朱春燕女士	1/1

薪酬委員會

本公司於二零一零年九月十三日成立薪酬委員會，並以書面列明符合守則的職權範圍。薪酬委員會主要職責包括就全體董事及高級管理人員的政策及架構向董事會提出建議、審閱及就薪酬待遇條款向董事會作出推薦意見、釐定花紅獎勵及檢討及／或批准上市規則第17章項下有關股份計劃的事宜。於二零二三年十二月三十一日，薪酬委員會由一名執行董事莊躍進先生，以及兩名獨立非執行董事麥偉豪先生（薪酬委員會主席）及朱春燕女士組成。

於截至二零二三年十二月三十一日止年度，薪酬委員會舉行一次會議討論（其中包括）本集團之薪酬政策及釐定董事薪酬。下表載列截至二零二三年十二月三十一日止年度各成員於會議之出席率：

NOMINATION COMMITTEE

The Company established a Nomination Committee on 13 September 2010 with written terms of reference in compliance with the Code. The primary duties of the Nomination Committee include reviewing the structure, size and composition of the Board, making recommendations to the Board regarding candidates to fill vacancies on the Board, assessing the independence of independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors. In reviewing and accessing the composition of the Board and the nomination of Directors, Board diversity has to be considered through a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of services. The Nomination Committee comprises one executive Director, namely Mr. Zhuang Yuejin (chairman of the Nomination Committee), and two independent non-executive Directors, namely Mr. Mak Wai Ho and Ms. Ng Li La, Adeline.

During the year ended 31 December 2023, one meeting was held by the Nomination Committee to, among other things, assess the independence of independent non-executive Directors and make recommendations to the Board on the appointment of Directors. The Nomination Committee also reviewed the board diversity policy to ensure its effectiveness and considered the Group achieved the policy since its adoption. The following table shows the attendance of individual members at the meeting held during the year ended 31 December 2023:

Members	No. of attendance	成員	出席次數
<i>Executive Director</i>		<i>執行董事</i>	
Mr. Zhuang Yuejin	1/1	莊躍進先生	1/1
<i>Independent non-executive Directors</i>		<i>獨立非執行董事</i>	
Mr. Mak Wai Ho	1/1	麥偉豪先生	1/1
Ms. Ng Li La, Adeline	1/1	吳莉娜女士	1/1

提名委員會

本公司於二零一零年九月十三日成立提名委員會，並以書面列明符合守則的職權範圍。提名委員會的主要職責包括檢討董事會的架構、人數及組成、就填補董事會空缺的候選人向董事會提出建議、評估獨立非執行董事的獨立性及就委任或重新委任董事及董事繼任計劃向董事會提出建議。審閱及評估董事會成員組成及董事提名時，須通過多個方面考慮董事會的多元化，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年期。提名委員會目前由一名執行董事莊躍進先生（提名委員會主席），以及兩名獨立非執行董事麥偉豪先生及吳莉娜女士組成。

於截至二零二三年十二月三十一日止年度，提名委員會舉行一次會議以（其中包括）評估各獨立非執行董事的獨立性以及就委任董事向董事會作出推薦建議。提名委員會亦檢討董事會成員多元化政策，以確保成效及考慮本集團自其採納起達成該政策之情況。下表載列截至二零二三年十二月三十一日止年度各成員於會議之出席率：

BOARD NOMINATION POLICY

The Company adopted a nomination policy, which establishes written guidelines to the Nomination Committee to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorships with reference to the formulated criteria. The Board is ultimately responsible for selection and appointment of new Directors. The Board, through the delegation of its authority to the Nomination Committee, has used its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge in business, finance and management skills critical to the Group's business to enable the Board to make sound and well considered decisions. Collectively, they have competencies in areas which are relevant and valuable to the Group.

NOMINATION PROCESS

The Nomination Committee shall assess whether any vacancy on the Board has been created or is expected on a regular basis or as required. The Nomination Committee utilizes various methods for identifying director candidates, including recommendations from Board members, management, and professional search firms. All director candidates, including incumbents and candidates nominated by Shareholders are evaluated by the Nomination Committee based upon the director qualifications. While director candidates will be evaluated on the same criteria through review of resume, personal interview and performance of background checks. The Nomination Committee retains the discretion to establish the relative weighting of such criteria, which may vary based on the composition, skill sets, age, gender and experiences of the collective Board rather than on the individual candidate for the purpose of diversity perspectives appropriate to the requirement of the Company's business.

SELECTION CRITERIA

The Nomination Committee will take into account whether a candidate has the qualifications, skills, experience and gender diversity that add to and complement the range of skills, experience and background of existing Directors by considering the highest personal and professional ethics and integrity of the director candidates, proven achievement and competence in the nominee's field and the ability to exercise sound business judgment, skills that are complementary to those of the existing Board, the ability to assist and support management and make significant contributions to the Company's success and such other factors as it may deem are in the best interests of the Company and the Shareholders. The Company shall review and reassess the nomination policy and its effectiveness on a regular basis or as required.

董事會提名政策

本公司已採納一項提名政策，該項政策為提名委員會設立了書面指引，以物色具備合適資格可擔任董事會成員的人士，並參照已制定的標準就甄選獲提名擔任董事的人士向董事會作出建議。董事會最終負責甄選及委任新董事。董事會透過向提名委員會授權，盡最大努力確保獲委任加入董事會的董事具備對本集團業務至關重要的業務、財務及管理技能方面的相關背景、經驗及知識，從而使董事會能夠作出合理及深思熟慮的決定。總體而言，彼等在與本集團相關且對本集團有價值的領域具備實力。

提名程序

提名委員會應定期或於有需要時評估董事會是否已出現或預期會出現任何空缺。提名委員會採用多種方法物色董事候選人，包括經由董事會成員、管理層及專業獵頭公司推薦。所有董事候選人（包括現任董事及股東提名的候選人）均由提名委員會根據董事資格進行評估。同時，將按相同標準透過審閱履歷、個人面試及進行背景調查對董事候選人進行評價。提名委員會保留確定該等標準相對權重的酌情權，有關權重可能會根據董事會整體的組成、技能組合、年齡、性別及經驗（而非個別候選人的情況）而有所不同，以達到切合本公司業務要求的多元化視角。

甄選準則

提名委員會將考慮候選人是否具備資格、技能、經驗及性別差異，從而增進及補充現有董事的技能、經驗及背景，具體做法是考慮董事候選人的最高個人及專業道德及誠信度、獲提名人在其所在領域的已獲證實成就及能力、作出合理商業判斷的能力、可補足現有董事會的技能、協助及支持管理層的能力、為本公司的成功作出重大貢獻的能力以及可視為符合本公司及股東最佳利益的其他因素。本公司將定期或於有需要時檢討及重新評估提名政策及其有效性。

CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告(續)

AUDIT COMMITTEE

The Company established an Audit Committee on 13 September 2010 with written terms of reference in compliance with the Listing Rules. As at 31 December 2023, the Audit Committee comprises three independent non-executive Directors, namely Mr. Mak Wai Ho (chairman of the Audit Committee), Ms. Ng Li La, Adeline and Ms. Zhu Chunyan.

During the year ended 31 December 2023, two meetings were held by the Audit Committee. The following table shows the attendance of individual members at the meetings held during the year ended 31 December 2023:

Members	No. of attendance
<i>Independent non-executive Directors</i>	
Mr. Mak Wai Ho	2/2
Ms. Ng Li La, Adeline	2/2
Ms. Zhu Chunyan	2/2

During the year 31 December 2023, the Audit Committee, among other things, reviewed the interim and annual reports as well as result announcements before submission to the Board. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements in review of the Company's interim and annual reports as well as result announcements. The Audit Committee also reviewed the Company's financial controls, risk management and internal control systems and make recommendation to the Board on the re-appointment of the external auditors.

CORPORATE GOVERNANCE FUNCTIONS

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

The Board reviewed the Company's corporate governance policies and practices, continuous professional development of Directors, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Listing Rules, and the Company's compliance with the Code and disclosure in this Corporate Governance Report.

審核委員會

本公司根據上市規則於二零一零年九月十三日成立審核委員會，並已訂立書面職權範圍。於二零二三年十二月三十一日，審核委員會由三名獨立非執行董事麥偉豪先生(審核委員會主席)、吳莉娜女士及朱春燕女士組成。

於截至二零二三年十二月三十一日止年度，審核委員會舉行兩次會議。下表為截至二零二三年十二月三十一日止年度各成員於會議之出席率：

成員	出席次數
<i>獨立非執行董事</i>	
麥偉豪先生	2/2
吳莉娜女士	2/2
朱春燕女士	2/2

截至二零二三年十二月三十一日止年度，審核委員會於中期及年度報告以及業績公告提呈董事會前(其中包括)審閱該等報告。審核委員會不僅重視會計政策及常規變動的影響，於審閱本公司中期及年度報告以及業績公告時亦會關注是否符合會計準則、上市規則及法律規定。審核委員會亦檢討本公司的財務監控、風險管理及內部監控系統，並就續聘外聘核數師向董事會提出建議。

企業管治職能

董事會負責履行守則條文第A.2.1條所載職能。

董事會已檢討本公司的企業管治政策及常規、董事的持續專業發展、本公司在遵守法律及監管規定方面的政策及常規、遵守上市規則的情況，以及本公司遵守守則的情況及在本企業管治報告內的披露事項。

AUDITORS' REMUNERATION

The Audit Committee is responsible for considering the appointment of the external auditors and also reviews any non-audit functions performed by the external auditors for the Group, including whether such non-audit functions could lead to any potential material adverse effect on the Group. During the year 31 December 2023, the auditors of the Company performed the work of statutory audit for the year of 2023. There was no non-audit service provided by the auditors of the Company for the year ended 31 December 2023. For the year ended 31 December 2023, the remuneration payable and paid to the auditors of the Company were as follows:

Audit services

審核服務

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, maintaining sound and effective risk management and internal control systems and reviewing their effectiveness to safeguard the Group's assets.

The risk management and internal control systems are designed to manage, rather than eliminate business risk; to help safeguard the Group's assets against fraud and other irregularities; and to give reasonable, but not absolute, assurance against material financial misstatement or loss.

The Board, through the Audit Committee, has reviewed the adequacy and effectiveness of the Group's risk management and internal control systems, covering financial, operational and compliance controls and risk management functions, which included the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function, and their training programmes and budget.

The Company has taken appropriate measures to identify inside information and preserve its confidentiality until proper dissemination via the electronic publication system operated by the Stock Exchange.

核數師薪酬

審核委員會負責考慮委任外聘核數師及檢討外聘核數師為本集團所執行的任何非核數職能，包括該等非核數職能會否對本集團構成任何潛在重大不利影響。截至二零二三年十二月三十一日止年度，本公司核數師已進行二零二三年度的法定審核工作。截至二零二三年十二月三十一日止年度，本公司核數師並未提供非審核服務。截至二零二三年十二月三十一日止年度，應付及已付予本公司核數師的酬金如下：

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
	452	429

風險管理及內部監控

董事會全面負責評估及釐定本集團為達成戰略目標所願承擔的風險性質及程度，維持全面有效的風險管理及內部監控系統並檢討其有效性，保障本集團資產。

風險管理及內部監控系統乃旨在管理而非消除業務風險；幫助保障本集團資產免受詐騙及其他違法行為；並作出合理而非絕對保證無重大錯誤財務陳述或損失。

董事會透過審核委員會檢討本集團風險管理及內部監控系統的充足性及有效性，涵蓋財務、營運及合規監控以及風險管理職能，其包括會計及財務匯報職能的資源、員工資歷及經驗的充足性，及其培訓計劃及預算。

本公司已採取適當措施識別內幕消息和在透過聯交所管理的電子發佈系統適當發佈前保密。

CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告(續)

The Company has engaged an external professional consultant to conduct independent internal control review for the year ended 31 December 2023. For the year ended 31 December 2023, expect as disclosed below, the Board considered the Group's internal control system as adequate and effective and that the Company has complied with the code provisions on risk management and internal control as set out in the Code.

Internal control implications on Audit Issue

The Company's auditor expressed an disclaimer of opinion on the consolidated financial statements of the Group for the financial year ended 31 December 2023, which mainly arises from loss of control of the acquired business. Details of the Audit Issue set out in "MODIFIED AUDIT OPINION" section in this report.

The Company considered the internal control deficiencies that gave rise to the Audit Issue and the Company's remedial measures to ratify the control deficiencies were as follows:

Internal control deficiencies

- a) The internal control policies of the Group have not been reviewed and updated properly. Such policies only cover the Company and the core subsidiaries of the Group in the PRC, which does not include the acquired business.

Company's remedial measures

The Company will review and update its internal control policies at least once a year and provide training to the relevant staff to ensure their knowledge of the change of control procedures. For newly acquired business, the Company will also provide training to relevant staffs to ensure their understanding on the requirement on a listed company.

截至二零二三年十二月三十一日止年度，本公司已委聘外部專業顧問進行獨立內部監控審閱。截至二零二三年十二月三十一日止年度，除下文所披露者外，董事會認為本集團的內部監控系統乃充足及有效，而本公司亦已遵守守則所載的有關風險管理及內部監控的守則條文。

有關審計問題的內部監控影響

本公司核數師對本集團截至二零二三年十二月三十一日止財政年度的綜合財務報表不發表意見，主要由於本公司失去了對已收購業務的控制權。審計問題的詳情載於本報告「非標準審計意見」一節。

本公司認為導致審計問題的內部監控缺陷及本公司改善監控缺陷的補救措施如下：

內部監控缺陷

- a) 本公司未對本集團的內部監控政策並進行適當檢討及更新。有關政策僅涵蓋本公司及本集團於中國的核心附屬公司，不包括已收購的業務。

本公司的補救措施

本公司將至少每年對其內部監控政策進行一次檢討及更新，並為相關員工提供培訓，以確保彼等了解監控程序的變動。對於新收購的業務，本公司亦將向相關員工提供培訓，以確保彼等了解對上市公司的要求。

CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告(續)

Internal control deficiencies	Company's remedial measures	內部監控缺陷	本公司的補救措施
b) The Company lost control of Loyal Brands Group and the business and accounting records of Loyal Brands Group were not provided to the auditors.	<p>The Company will review and update its internal control policies so that it can exercise control over all of its subsidiaries by ensuring that:</p> <ul style="list-style-type: none">(i) the legal representative of the PRC subsidiaries and a director of each subsidiary shall be the designated member of the Board;(ii) the financial department of the subsidiaries shall directly report to the designated member of the Board;(iii) the Company shall consider any legal action against any of its significant personnel who violate their duties or responsibilities and has led to significant loss of the Group;(iv) representative(s) of the Board regularly visit each of operating subsidiaries to make sure that the necessary accounting records are well maintained; and(v) emergency procedures shall be established, such as setting up team of legal and financial experts, to prevent and control potential loss of control of subsidiaries.	b) 本公司失去對 Loyal Brands 集團的控制權，且未向核數師提供 Loyal Brands 集團的業務及會計記錄。	<p>本公司將檢討及更新其內部監控政策，以確保其可透過以下方式對其所有附屬公司行使控制權：</p> <ul style="list-style-type: none">(i) 中國附屬公司的法定代表及各附屬公司的一名董事須為董事會指定成員；(ii) 附屬公司的財務部門應直接向董事會指定成員報告；(iii) 本公司將考慮對任何違反其職責或責任並導致本集團遭受重大損失的主要人員採取任何法律行動；(iv) 董事會代表定期到訪各營運附屬公司，以確保妥善保存必要的會計記錄；及(v) 須建立應急程序，如成立法律及財務專家團隊，以防止及控制可能失去附屬公司控制權的情況。
c) The Company's operating subsidiaries were only reviewed by the head of each subsidiary without reporting to any of the relevant directors of the Company. Except for the interim and annual report, the Board had not received any monthly or regular management accounts from the operating subsidiaries. Only "significant issues" were required to report to the Board monthly. However, there was no guideline to define what constituted "significant issues".	<p>The Company will review and update its internal control policies, and define the matters that affecting the continuing operation or legal compliance operation, the general manager or legal representative of the subsidiaries will notify any executive director in writing or by email within 3 days after aware of the relevant matters. The executive directors will consult the financial adviser or legal adviser on whether it is necessary to issue any announcement in accordance with the requirements of the Listing Rules.</p> <p>The Company will review and update its internal control policies to ensure monthly management account of each subsidiary is obtained.</p>	c) 本公司的營運附屬公司僅由各附屬公司的主管進行檢討，並無向本公司任何相關董事報告。除中期及年度報告外，董事會並無收到營運附屬公司的任何每月或定期管理賬目。只有「重大事宜」須每月向董事會報告。然而，並無指引界定「重大事宜」的內容。	<p>本公司將檢討及更新其內部監控政策，並界定影響持續經營或合法合規經營的事項，附屬公司的總經理或法定代表將於知悉相關事項後3日內以書面或電郵方式通知任何執行董事。執行董事將諮詢財務顧問或法律顧問，以了解是否有必要根據上市規則的規定刊發任何公告。</p> <p>本公司將檢討及更新其內部監控政策，以確保取得各附屬公司的月度管理賬目。</p>

CORPORATE GOVERNANCE REPORT (Continued)

企業管治報告 (續)

COMPANY SECRETARY

Mr. MAN Yun Wah has been nominated by In.Corp Corporate Services (HK) Limited to act as the Company Secretary, who has complied with the requirements of the Listing Rules. He has been contacting with the Board directly in respect of company secretarial matters. He reports to the Board directly in 2023.

WHISTLE-BLOWING AND ANTI-CORRUPTION POLICY

The Group has formulated whistle blowing policy which allows all staff and independent third parties, including customers, suppliers and contractors, to report any possible improprieties, misconducts, malpractices or irregularities in matters of financial reporting, internal control or other matters to the Board or the Audit Committee anonymously. The Group will handle the reports and complaints with care and will treat the whistle-blower's concerns fairly and properly. Any person who is found to have victimized or retaliated against those who have raised concerns under this policy will subject to disciplinary sanctions.

The Group abides by the anti-corruption policy and has implemented an anti-bribery commitment policy whereby the Group's internal key segment employees and key position employees are required to sign a "Letter of Undertaking of Anti-bribery/Anti-corruption". The Group has also encouraged employees and companies with whom we have business dealings to report any acts of corruption. Investigations of these cases would be kept strictly confidential. The Group realizes that accepting improper benefits would ruin the Group's integrity. As such, where business dealings may cause a conflict of interest, employees would be required to fill out a "Conflict of Interest Declaration Form". In addition, the Group would provide related training to increase employees' understanding of conflict of interest.

The Group has strictly complied with the laws and regulations related to anti-corruption. During the Reporting Period, there have been no cases of prosecution against the Group due to violation of any relevant laws, such as the Criminal Law of the PRC, the Anti-Money Laundering Law of the PRC and other national or regional laws and regulations.

Please refer to the Environmental, Social and Governance Report for more details.

公司秘書

文潤華先生已獲彥德企業服務(香港)有限公司提名擔任公司秘書，彼符合上市規則之要求。彼就公司秘書事宜直接與董事會聯繫。彼於二零二三年直接向董事會報告。

舉報及反貪污政策

本集團已制定舉報政策，允許所有員工及獨立第三方(包括客戶、供應商及承包商)向董事會或審核委員會匿名舉報有關財務報告、內部監控或其他事宜的任何可能不當行為、不端行為、瀆職或違規行為。本集團將審慎處理舉報及投訴，並將公平妥善處理舉報人提出的疑慮。任何人士如被發現對根據本政策提出疑慮的人士進行傷害或報復，將會受到紀律處分。

本集團遵守反貪污政策，並已實施反賄賂承諾政策，據此，本集團的內部關鍵部門僱員及關鍵崗位僱員須簽署「反賄賂／反貪污承諾書」。本集團亦鼓勵僱員及與我們有業務往來的公司舉報任何貪污行為。對該等案件的調查將嚴格保密。本集團深知接受不當利益會破壞本集團的誠信。因此，倘業務往來可能導致利益衝突，僱員將須填寫「利益衝突申報表」。此外，本集團將提供相關培訓，以增加僱員對利益衝突的了解。

本集團已嚴格遵守有關反貪污的法律法規。於報告期間，本集團並無因違反任何相關法律(如《中華人民共和國刑法》、《中華人民共和國反洗錢法》及其他國家或地區法律法規)而被起訴的案件。

更多詳情，請參閱環境、社會及管治報告。

SHAREHOLDERS' RIGHTS

Procedure for nominating a new Director

Pursuant to Article 83(2) of the articles of association of the Company (the "Articles"), subject to the Articles and the Companies Law of the Cayman Islands, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy on the Board, or as an addition to the existing Board.

Procedure for convening an extraordinary general meeting

Pursuant to Article 58 of the Articles, any one or more shareholder 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, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition and such meeting shall be held within 2 months from the date of deposit of the requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedure for sending enquires to the Board

Shareholders may send written enquiries or requests in respect of their rights to the principal place of business of the Company in Hong Kong and for the attention of the Company Secretary.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company has established a range of communication channels between itself and its shareholders, and investors. These include the publication of annual and interim reports, notices, announcements, circulars and constitutional documents, the Company's website at www.hklistco.com/48 and meetings with investors and analysts.

The Company encourages all shareholders to attend the annual general meeting to stay informed of the Group's strategy and goals. It provides an opportunity for direct communication between the Board and its shareholders. The chairman of the meeting explains the detailed procedures for conducting a poll and then answers any questions from shareholders. The poll results are published on the website of the Company and the Stock Exchange. The Company has reviewed the implementation and effectiveness of the shareholder communication policy during the year ended 31 December 2023 and concluded as effective.

股東的權利

提名一名新董事的程序

根據本公司組織章程細則(「細則」)第83(2)條,在細則及開曼群島公司法規限下,本公司可透過普通決議案選出任何人士出任董事,以填補董事會臨時空缺或出任現任董事會新增成員。

召開股東特別大會的程序

根據細則第58條,任何一位或以上於提請要求當日持有不少於本公司繳足股本(賦予權利在本公司股東大會上投票)十分之一的股東,可隨時向董事會發出書面要求,要求董事會召開股東特別大會,以處理有關要求所指明的任何事項,且有關大會須於提請要求當日起計兩個月內舉行。倘提請後二十一(21)日內董事會未有召開大會,則提請要求的人士可自行以相同方式召開大會,而本公司須向提請要求的人士補償因董事會未有召開大會而產生的所有合理開支。

向董事會發送查詢的程序

股東可將有關彼等權利的書面查詢或要求發送至本公司香港主要營業地點,收件人為公司秘書。

投資者關係及與股東之溝通

本公司已與其股東及投資者之間設立多種溝通渠道,當中包括於本公司網站www.hklistco.com/48刊發年度及中期報告、通告、公告、通函及憲章文件,及與投資者及分析員會晤。

本公司鼓勵所有股東出席股東週年大會,了解本集團之策略及目標。股東週年大會提供機會讓董事會與其股東直接溝通。大會主席會解釋以投票方式進行表決的詳細程序,然後回答股東的任何提問。投票結果刊登於本公司及聯交所之網站。截至二零二三年十二月三十一日止年度,本公司已檢討股東溝通政策的實施及成效,並認為其有效。

CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2023, in view of the changes to Appendix A1 to the Listing Rules, the Articles were amended, and the adoption of the amended and restated memorandum and articles of association of the Company was approved by the Shareholders at the annual general meeting of the Company held on 28 June 2023. For details, please refer to the announcements of the Company dated 25 May 2023 and 28 June 2023 and the circular of the Company dated 25 May 2023. The new Articles are available on the websites of the Company and the Stock Exchange.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledged their responsibility for the preparation of the financial statements for the year ended 31 December 2023, which give a true and fair view of the financial position of the Group. The auditors of the Company is responsible to form an independent opinion based on the audit, on the financial statements prepared by the Directors and report the opinion solely to the shareholders of the Company.

憲章文件

截至二零二三年十二月三十一日止年度，鑒於上市規則附錄A1的變動，本公司已對細則進行修訂，且採納本公司經修訂及重列之組織章程大綱及細則已獲股東於二零二三年六月二十八日舉行的本公司股東週年大會上批准。有關詳情，請參閱本公司日期為二零二三年五月二十五日及二零二三年六月二十八日的公告及本公司日期為二零二三年五月二十五日的通函。新細則可於本公司網站及聯交所網站上查閱。

董事就財務報表須承擔的責任

董事確認彼等須負責編製截至二零二三年十二月三十一日止年度的財務報表，有關報表應真實而公平地反映本集團的財務狀況。本公司核數師負責根據其審核工作的結果，就董事編製的財務報表作出獨立意見，並僅向本公司股東匯報其意見。

DIRECTORS' REPORT

董事會報告

The Directors have pleasure in presenting their report and the audited consolidated financial statements of the Group for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the manufacture and sale of nonwoven fabric related products used in automotive interior decoration parts and other parts, and the trading of rubber and food products.

BUSINESS REVIEW

A review of the business of the Group for the year ended 31 December 2023 is set out in "Chairman's Statement & Management Discussion and Analysis" on pages 4 to 12 of this report.

RESULTS AND FINANCIAL POSITION

The Group's results for the year ended 31 December 2023 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 47 and 48 of this report.

The state of affairs of the Group and of the Company at 31 December 2023 are set out in the consolidated statement of financial position and the statement of financial position on pages 49 to 50 of this report and in Note 42 to the consolidated financial statements respectively.

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in Note 28 to the consolidated financial statements.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in Note 21 to the consolidated financial statements.

SUMMARY OF FINANCIAL INFORMATION

A summary of financial results and of the assets and liabilities of the Group are set out in the section headed "Summary of Financial Information" on page 136 of this report.

RESERVES

The movements in the reserves of the Group during the year ended 31 December 2023 are set out in the consolidated statement of changes in equity on page 51 of this report. The movements in the reserves of the Company during the year ended 31 December 2023 are set out in Note 42 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

At 31 December 2023, the Company's reserve available for distribution to owners of the Company comprising share premium account amounted to approximately RMBNil (2022: RMBNil).

董事會欣然呈列其報告及本集團截至二零二三年十二月三十一日止年度的經審核綜合財務報表。

主要業務

本集團主要從事製造及銷售用於汽車內飾件及其他部份的無紡布相關產品以及買賣橡膠及食品。

業務回顧

本集團截至二零二三年十二月三十一日止年度之業務回顧載於本報告第4頁至第12頁的「主席報告及管理層討論與分析」。

業績及財務狀況

本集團於截至二零二三年十二月三十一日止年度的業績載於本報告第47頁及第48頁之綜合損益及其他全面收益表。

本集團及本公司於二零二三年十二月三十一日的業務狀況分別載於本報告第49頁至第50頁之綜合財務狀況表及財務狀況表以及綜合財務報表附註42。

股本

本公司的股本變動詳情載於綜合財務報表附註28。

附屬公司

有關本公司附屬公司之詳情載於綜合財務報表附註21。

財務資料概要

本集團之財務業績及資產和負債概要載於本報告第136頁之「財務資料概要」一節。

儲備

本集團於截至二零二三年十二月三十一日止年度的儲備變動載於本報告第51頁之綜合權益變動表。本公司於截至二零二三年十二月三十一日止年度的儲備變動載於綜合財務報表附註42。

可供分派儲備

於二零二三年十二月三十一日，本公司可供分派予本公司擁有人的儲備包括股份溢價賬約人民幣零元（二零二二年：人民幣零元）。

DIVIDEND POLICY

The board of directors of the Company established a dividend policy (the "Dividend Policy") in January 2019. The Company endeavours to maintain adequate working capital to develop and operate the business of the Group and to provide stable and sustainable returns to the shareholders of the Company.

In considering the payment of dividends, the Board shall take into account, among other things, the actual and expected financial performance of the Group, the capital and debt level of the Group, the general market conditions, any working capital requirements, capital expenditure requirements and future development plans of the Group, the liquidity position of the Group, contractual restrictions on payment of dividends, the statutory and regulatory restrictions which the Group is subject to from time to time and any other relevant factors that the Board may consider relevant.

The Company does not have any pre-determined dividend distribution ratio. The Company's dividend distribution record in the past does not necessarily imply that the similar level of dividends may be declared or paid by the Company in the future.

The declaration and payment of dividend by the Company is subject to any restrictions under the Companies Law of the Cayman Islands and the Company's articles of association and any other applicable laws and regulations. The Board will continually review the Dividend Policy and reserve the right in its sole and absolute discretion to update, amend, modify and/or cancel the Dividend Policy at any time.

The Dividend Policy shall in no way constitute a legally binding commitment by the Group in respect of its future dividend and/or in no way obligate the Group to declare a dividend at any time or from time to time.

股息政策

本公司董事會於二零一九年一月制訂股息政策(「股息政策」)。本公司致力維持充足的營運資金以發展及經營本集團業務，並為本公司股東提供穩定及可持續的回報。

於考慮支付股息時，董事會應考慮(其中包括)本集團的實際及預期財務表現、本集團的資本及債務水平、整體市況、任何營運資金需求、資本開支要求及本集團的未來發展計劃、本集團的流動資金狀況、支付股息的合約限制、本集團不時受到的法定及監管限制以及董事會可能認為相關的任何其他相關因素。

本公司並無任何預先釐定的股息分配比率。本公司過往的股息分配記錄並非一定意味著本公司日後可能宣派或支付類似股息水平。

本公司宣派及派付股息須遵守開曼群島公司法及本公司組織章程細則及任何其他適用法律法規的任何限制。董事會將持續檢討股息政策並保留其唯一及絕對酌情權隨時更新、修訂、修改及/或取消股息政策。

股息政策不會以任何方式構成本集團有關其未來股息的具法律約束力承諾及/或不會以任何方式令本公司有責任隨時或不時宣派股息。

DIRECTORS' REPORT (Continued)

董事會報告 (續)

DIVIDENDS

The Board has resolved not to declare a final dividend for the year ended 31 December 2023 (2022: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group are set out in Note 18 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

In the year, sales to the Group's five largest customers in aggregate accounted for approximately 51.1% (2022: 52.7%) of the total sales for the year and sales to the largest customer accounted for approximately 16.2% (2022: 18.9%) of total sales. Purchases from the Group's five largest suppliers in aggregate accounted for approximately 45.3% (2022: 32.4%) of total purchases for the year and purchases from the largest supplier accounted for approximately 11.7% (2022: 8.2%) of total purchases.

None of the Directors, their close associates or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers during the year 31 December 2023.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's business, financial condition, results of operations and prospects may be affected by a number of risks and uncertainties. The following are the key risks and uncertainties identified by the Group.

Reliance on major customers

In the year, sales to the Group's five largest customers in aggregate accounted for approximately 51.1% (2022: 52.7%) of the total sales for the year and sales to the largest customer accounted for approximately 16.2% (2022: 18.9%) of total sales. If any of these customers ceases to do business with the Group, or substantially reduces the volume of its business with the Group and if the Group is unable to secure new customers with similar sales volume and profit margin, the Group's business, results of operations and financial position may be materially and adversely affected.

股息

董事會已議決不就截至二零二三年十二月三十一日止年度派付末期股息 (二零二二年: 無)。

物業、廠房及設備

本集團的物業、廠房及設備變動詳情載於綜合財務報表附註18。

主要客戶及供應商

本年度內，本集團對五大客戶的銷量合共佔本年度總銷量約51.1% (二零二二年: 52.7%)，而對最大客戶的銷量佔總銷量約16.2% (二零二二年: 18.9%)。本集團對五大供應商的採購額合共佔本年度採購總額約45.3% (二零二二年: 32.4%)，而對最大供應商的採購額佔採購總額約11.7% (二零二二年: 8.2%)。

截至二零二三年十二月三十一日止年度，概無董事、彼等之緊密聯繫人士或任何本公司股東 (據董事所深知，擁有本公司已發行股本5%以上) 於本集團的五大客戶及供應商擁有任何權益。

主要風險及不明朗因素

本集團的業務、財務狀況、經營業績及前景可能受多種風險及不明朗因素所影響。下文為本集團所識辨的主要風險及不明朗因素。

對主要客戶的依賴

本年度內，本集團對五大客戶的銷量合共佔本年度總銷量約51.1% (二零二二年: 52.7%)，而對最大客戶的銷量佔總銷量約16.2% (二零二二年: 18.9%)。倘若任何該等客戶終止與本集團的業務往來，或大幅減少其與本集團的業務量，而本集團無法獲得銷售額及利潤率相近的新客戶，則本集團的業務、經營業績及財務狀況可能受到重大不利影響。

Reliance on raw materials

The Group's production requires large quantities of raw materials, which are mainly artificial and synthetic fibres, for the production of nonwoven fabric related products. There is no assurance that the Group will always be able to secure an adequate supply of raw materials at commercially viable prices to meet the Group's future production requirements. Moreover, fluctuations in the prices of the raw materials may increase the cost of inventories sold and reduce the gross profit and gross margin of the Group.

Reliance on limited number of suppliers

Purchases from the Group's five largest suppliers in aggregate accounted for approximately 45.3% (2022: 32.4%) of total purchases for the year and purchases from the largest supplier accounted for approximately 11.7% (2022: 8.2%) of total purchases. If any of these suppliers do not continue to supply materials and goods to the Group at favourable or similar prices or at all, the Group may not be able to find another suitable replacement supplier in a timely manner or on terms acceptable to the Group or at all, and the Group's business, results of operations and financial condition could be adversely affected.

Other financial risks

The Group also faces other financial risks in the ordinary course of business. Details of financial risk management objectives and policies are set out in Note 6 to the consolidated financial statements.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group recognises the importance of good relationships with its employees. The Group continues to provide training for its staff to enhance technical and product knowledge as well as knowledge of industry quality standards. The Group maintains good working relationships with its employees and has not experienced any material disruption of its normal business operations due to strikes or labour disputes.

The Directors believe that the Group's good relationship with its customers depends on its ability to produce reliable products for its customers. The Group conducts surveys on customers' feedback on the Group's products, the results of which will be analyzed and used to formulate measures of improvement. This provides a channel for the Group's customers to monitor the quality of the Group's products.

對原材料的依賴

本集團的生產需要大量原材料，當中主要為人造及合成纖維，用作生產無紡布相關產品。概無保證本集團將一直按經濟上可行的價格獲得充足的原材料供應，以應付本集團日後的生產需求。此外，原材料價格的波動可能令存貨成本上升並降低本集團的毛利及毛利率。

對少數供應商的依賴

本集團對五大供應商的採購額合共佔本年度採購總額約45.3%（二零二二年：32.4%），而對最大供應商的採購額佔採購總額約11.7%（二零二二年：8.2%）。倘任何該等供應商並未繼續以優惠或類似價格向本集團供應原材料及貨品，或完全不供應，則本集團未必能及時或以本集團可接受的條款物色到其他合適的供應商，或根本無法找到，則本集團的業務、經營業績及財務狀況可能受到不利影響。

其他財務風險

本集團於一般業務過程中亦面臨其他財務風險。有關財務風險管理目標及政策的詳情載於綜合財務報表附註6。

與僱員、客戶及供應商之關係

本集團深明與其僱員保持良好關係的重要性。本集團持續為僱員提供培訓，以加強其員工的技術及產品知識，以及對行業質量標準的認識。本集團與其僱員關係良好，從未因罷工或勞資糾紛而嚴重擾亂一般業務運營。

董事認為，本集團與其客戶的良好關係取決於其為客戶生產可靠產品的能力。本集團會就客戶對本集團產品的意見進行調查，並分析有關結果，用於制定改善措施。此舉為本集團客戶提供監察本集團產品質素的渠道。

DIRECTORS' REPORT (Continued)

董事會報告 (續)

The Group's major suppliers of its principal business are manufacturers of artificial and synthetic fibers being the Group's primary raw materials. The Directors consider that the reliability of suppliers are essential to maintaining an efficient production process of the Group. The Group has laid down detailed supplier selection procedures, and conducts reviews on its suppliers regularly and also upon any material changes in the suppliers' delivery period, quality of supply, price and service.

ENVIRONMENTAL POLICIES

Committed to minimizing any environmental impact caused by its production (such as noise, sewage and exhaust gas), the Group adopts quality control measures and a comprehensive environmental management system to ensure that the Group manufactures quality products with minimum impacts on the environment. Meanwhile, concerning environmental conservation, the Group follows the internal guiding principles set out below in operating its business:

- to be committed to complying with relevant laws and regulations;
- to strengthen the training of staff so that they all participate in protecting the environment;
- to continuously improve and implement daily environmental monitoring, review and management so as to prevent pollution; and
- to economize on the consumption of resources.

Further details will be disclosed in the Company's Environmental, Social and Governance Report 2023 to be published within April 2024.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group work closely with its advisers and auditors to review the Group's affairs and ensure full compliance with all applicable laws, rules and regulations. The Group's operations are mainly carried out by the Company's subsidiaries in the PRC while the Company itself is listed on the Stock Exchange. As far as the Company is aware, the Group has complied in material aspects with the relevant laws and regulations which have a significant impact on the Group during the year ended 31 December 2023.

本集團主要業務的主要供應商為人造及合成纖維 (即本集團主要原材料) 的製造商。董事認為，供應商的可靠性對本集團保持有效率的生產程序十分重要。本集團已訂下詳細的供應商甄選程序，定期對其供應商進行檢討，亦於供應商的交付期、供應質量、價格及服務出現任何重大變動時進行檢討。

環境政策

為致力減低生產對環境造成的任何影響 (如噪音、垃圾及廢氣)，本集團採納品質監控措施及全面的環境管理系統，以確保本集團製造高質素產品的同時，可將對環境的影響減至最低。而且，就環境保育而言，本集團於其業務經營中遵循下列內部指導原則：

- 致力遵守有關法律及法規；
- 加強員工培訓，令所有員工均參與保護環境；
- 持續改善及實施日常環境監控、檢討及管理，以預防造成污染；及
- 節約使用資源。

進一步詳情將於二零二四年四月發佈的本公司二零二三年環境、社會及管治報告披露。

遵守相關法律及法規

本集團緊密配合其顧問及核數師，以檢討本集團事務及確保全面遵守一切適用法律、法規及規定。本集團運營主要由本公司附屬公司於中國進行，而本公司自身於聯交所上市。據本公司所知，截至二零二三年十二月三十一日止年度，本集團在重要層面已遵守對本集團具有重大影響的相關法律及法規。

DIRECTORS' REPORT (Continued)

董事會報告 (續)

DIRECTORS

The Directors of the Company during the year ended 31 December 2023 and up to the date of this report were:

Executive Directors:

Mr. Zhuang Yuejin
Mr. Ng Chung Ho (appointed on 27 December 2023)
Ms. Xiao Suni
Mr. Wong Ho Yin (resigned on 18 October 2023)

Independent non-executive Directors:

Mr. Mak Wai Ho
Ms. Ng Li La, Adeline
Ms. Zhu Chunyan

Pursuant to Article 83(3) and 84(1) of the Company's articles of association, Mr. Ng Chung Ho, Mr. Mak Wai Ho and Ms. Ng Li La, Adeline shall retire at the forthcoming annual general meeting. All the retiring Directors are eligible for re-elections.

DIRECTORS' AND SENIOR MANAGEMENT

Biographical information of the Directors and senior management of the Group are set out in the section headed "Biographical Information of Directors and Senior Management" on pages 13 to 14 of this report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors, including those proposed for re-election at the forthcoming annual general meeting, has a service agreement which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

REMUNERATION POLICY

The remuneration policy of the employees of the Group is set up by the Board on the basis of their experience, qualifications and competence.

The remuneration of the Directors of the Company are reviewed by the Remuneration Committee and approved by the Board, having regard to the relevant Director's experience, responsibility, workload and the time devoted to the Group; the Company's operating results and comparable market statistics.

The Company has adopted a share option scheme (the "Scheme") on 5 June 2015 to which the Directors and eligible employees, among others are entitled to participate in. The Company operates the Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Details of the Scheme are set out in the section "Share Option Scheme" on pages 40 to 42 of this report.

董事

本公司於截至二零二三年十二月三十一日止年度及截至本報告日期的董事為：

執行董事：

莊躍進先生
伍忠豪先生（於二零二三年十二月二十七日獲委任）
肖蘇妮女士
黃浩然先生（於二零二三年十月十八日辭任）

獨立非執行董事：

麥偉豪先生
吳莉娜女士
朱春燕女士

根據本公司組織章程細則第83(3)及84(1)條，伍忠豪先生、麥偉豪先生及吳莉娜女士須於應屆股東週年大會退任。所有退任董事均合資格膺選連任。

董事及高級管理層

本集團董事及高級管理層的履歷資料載於本報告第13頁至第14頁「董事及高級管理層的履歷資料」一節。

董事服務合約

概無董事（包括該等提呈於應屆股東週年大會膺選連任的董事）訂有不可由本公司於一年內免付賠償而終止（法定賠償除外）之服務協議。

薪酬政策

本集團僱員之薪酬政策乃由董事會制定，以僱員之經驗、資歷及能力為基準釐定。

本公司的董事酬金由薪酬委員會審核，並由董事會審批，有關酬金乃經計及有關董事的經驗、責任、工作量、為本集團貢獻的時間、本公司的經營業績及可資比較的市場統計數據後釐定。

本公司於二零一五年六月五日採納購股權計劃（「該計劃」），董事及合資格僱員均有權參與該計劃。本公司採納該計劃旨在激勵及獎勵為本集團之成功營運作出貢獻的合資格參與者。有關該計劃的詳情載於本報告第40頁至第42頁「購股權計劃」一節。

DIRECTORS' REPORT (Continued)

董事會報告 (續)

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors and the five highest paid individuals in the Group are set out in Notes 15 and 16 to the consolidated financial statements.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES, UNDERLYING SHARES AND DEBENTURES

So far as known to the Directors, at 31 December 2023, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions of which they were taken or deemed to have under such provisions of SFO) or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Listing Rules ("Model Code"), were as follows:

Long positions in shares and underlying shares of the Company

Name	Capacity and nature of interest	Number of unlisted shares option	Number of ordinary shares held	Total	Approximate percentage of shareholding in the Company
姓名	身份及權益的性質	未上市購股權數目	所持普通股數目	總計	佔本公司持股量之概約百分比
Director 董事					
Zhuang Yuejin 莊躍進	Beneficial owner 實益擁有人	1,670,000	15,164,800	16,834,800	9.61%
Xiao Suni 肖蘇妮	Beneficial owner 實益擁有人	1,670,000	790,000	2,460,000	1.40%
Zhu Chunyan 朱春燕	Beneficial owner 實益擁有人	–	790,000	790,000	0.45%

董事及五名最高酬金人士的薪酬

本集團之董事及五名最高酬金人士的薪酬詳情載於綜合財務報表附註15及16。

董事及最高行政人員於證券、相關股份及債權證的權益

據董事所知，於二零二三年十二月三十一日，本公司董事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文彼等被當作或被視為擁有的任何權益及／或淡倉），或根據證券及期貨條例第352條登記於本公司所需存置登記冊內的權益及淡倉，或根據上市規則附錄C3上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益及淡倉如下：

於本公司股份及相關股份之好倉

DIRECTORS' REPORT (Continued)

董事會報告 (續)

Save as disclosed above, at 31 December 2023, none of the Directors or chief executives of the Company had any interests or short positions in the shares or underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the year 31 December 2023 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS OR SHORT POSITIONS IN THE SHARES OR UNDERLYING SHARES OF THE COMPANY

Save as disclosed in the section "Directors' and Chief Executives' Interests in Securities, Underlying Shares and Debentures" on page 37 of this report, at 31 December 2023, the Directors of the Company were not aware of any persons who had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company in accordance with the provisions of Divisions 2 and 3 of Part XV of the SFO; or be recorded in the register required to be kept under Section 336 of the SFO.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party at the end of the year or at any time during the year 31 December 2023.

除上文披露者外，於二零二三年十二月三十一日，概無本公司董事或最高行政人員於本公司或其任何相聯法團的股份、相關股份及債權證中，擁有根據證券及期貨條例第352條登記於本公司所需存置登記冊內的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉。

除上文所披露者外，於截至二零二三年十二月三十一日止年度之任何時間內概無授予任何董事或彼等各自之配偶或未滿十八歲子女可透過收購本公司或任何其他法人團體之股份或債權證而獲益的權利，該等權利亦無獲其行使；本公司、其控股公司或其任何附屬公司亦無參與訂立任何安排致使董事、彼等各自之配偶或未滿十八歲子女獲得於本公司或任何法人團體之該等權利。

主要股東及其他人士於本公司之股份或相關股份中的權益或淡倉

除本報告第37頁「董事及最高行政人員於證券、相關股份及債權證的權益」一節所披露者外，於二零二三年十二月三十一日，本公司董事概不知悉任何人士已經或被視為於股份或相關股份中擁有根據證券及期貨條例第XV部之第2及第3分部須向本公司披露，或根據證券及期貨條例第336條登記於須予存置登記冊的權益或淡倉。

董事於合約的權益

於年終或截至二零二三年十二月三十一日止年度內任何時間，概無董事於本公司或其任何附屬公司訂立對本集團業務而言屬重要之任何合約中直接或間接擁有重大權益。

DIRECTORS' REPORT (Continued)

董事會報告(續)

DIRECTOR'S INTEREST IN COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors, the controlling shareholder and their respective associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group during the year 31 December 2023.

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

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Save as disclosed in the section "Directors' and Chief Executives' Interests in Securities, Underlying Shares and Debentures" on page 37 of this report, at no time during the year 31 December 2023 was the Company, or its subsidiaries, or its fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of the Company or any other body corporate.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors at the latest practicable date prior to issue of this report, the Company has maintained the sufficient public float under the Listing Rules.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

During the year 31 December 2023, except for those disclosed in Note 40 to the consolidated financial statements, the Group had no material transactions with its related parties.

The Directors conducted review of the related party transactions of the Group during the year 31 December 2023 and were not aware any transaction requiring disclosure of connected transactions in accordance with the requirements of the Listing Rules.

董事於競爭業務的權利

本年度內，董事概不知悉任何董事、控股股東及彼等各自的聯繫人士(定義見上市規則)的任何業務或權益與本集團的業務出現或可能出現競爭，亦不知悉該等人士會或可能會與本集團出現任何其他利益衝突。

購買、出售或贖回本公司的上市證券

本公司及其任何附屬公司於截至二零二三年十二月三十一日止年度概無購買、出售或贖回本公司任何上市證券。

董事購入股份及債權證的權利

除本報告第37頁「董事及最高行政人員於證券、相關股份及債權證的權益」一節所披露者外，本公司或其附屬公司或其同系附屬公司於截至二零二三年十二月三十一日止年度任何時間概無訂立任何安排，致使董事可藉購入本公司或任何其他法團的股份或債權證而獲益。

足夠公眾持股量

按照本公司公開可得之資料及就董事所知，於本報告刊發前的最後實際可行日期，本公司根據上市規則已維持足夠之公眾持股量。

關連方交易及關連交易

截至二零二三年十二月三十一日止年度，除綜合財務報表附註40所披露者外，本集團概無與關連方進行任何重大交易。

董事已對本集團截至二零二三年十二月三十一日止年度的關連方交易進行審閱，且並不知悉任何根據上市規則規定須作關連交易披露的交易。

DIRECTORS' REPORT (Continued)

董事會報告 (續)

BANK BORROWINGS

Particulars of bank borrowings of the Group at 31 December 2023 are set out in Note 33 to the consolidated financial statements.

RETIREMENT BENEFIT SCHEME

Particulars of the retirement benefit scheme of the Group are set out in Note 39 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association or the laws of Cayman Islands which oblige the Company to offer new shares on a pro-rata basis to its existing shareholders.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's articles of association, the Directors and every one of them is entitled to be indemnified out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which the Directors or any of them, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty in their offices or otherwise in relation thereto provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the Directors.

The Company has taken out and maintained Directors' liability insurance throughout the year which provides appropriate cover for legal actions brought against the Directors.

SHARE OPTION SCHEME

The Company adopted the Scheme on 5 June 2015 which will remain in force for a period of 10 years from the effective date of the Scheme and will expire on 4 June 2025.

Under the Scheme, the Directors may at their discretion grant options to the eligible participants, including but not limited to, any Directors (whether executive or non-executive and whether independent or not) and any employee (whether full time or part time) of the Group or any other person, who has contributed to the Group.

銀行借款

本集團截至二零二三年十二月三十一日的銀行借款詳情載於綜合財務報表附註33。

退休福利計劃

本集團的退休福利計劃詳情載於綜合財務報表附註39。

優先購股權

本公司的組織章程細則或開曼群島法律並無有關優先購股權的規定，致使本公司須按比例基準向現有股東發售新股份。

獲准許的彌償條文

根據本公司的組織章程細則，全體董事（及每位董事）均可就執行其各自的職務或假定或其他職務時因作出、發生的作為或不作為而招致或蒙受的所有訴訟、費用、收費、損失、損害及開支而從本公司的資產及溢利中獲得彌償，惟本彌償保證不延伸至任何與任何董事欺詐或不實有關的事宜。

本公司於整個年度已購買及維持董事責任保險，就針對董事的任何法律訴訟提供適當保障。

購股權計劃

本公司於二零一五年六月五日採納該計劃，該計劃自生效日期起十年內有效，而屆滿日期將為二零二五年六月四日。

根據該計劃，董事可酌情向合資格參與者授出購股權，包括但不限於任何董事（不論是執行或非執行及是否獨立）及本集團之任何僱員（不論是全職或兼職）或對本集團有貢獻之任何其他人士。

DIRECTORS' REPORT (Continued)

董事會報告 (續)

The maximum number of shares in respect to which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company on the date of adopting the Scheme. The limit may be refreshed at any time provided that the new limit must not be in aggregate exceed 10% of the issued share capital of the Company at the date of the shareholders' approval in general meeting. However, the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other scheme of the Company must not in aggregate exceed 30% of the shares in issue from time to time. At 31 December 2023 and the date of this report, an aggregate of 19,830,000 share options granted under the Scheme remained outstanding, which represented approximately 11.3% of the issued share capital of the Company. At the date of this report, the total number of shares available for issuance upon exercise of all options to be granted under the Scheme was 17,511,510, which represented approximately 10% of the issued share capital of the Company at such date. The maximum number of shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing Rules. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

Options may be exercised at any time from the date of grant of the option to the 10th anniversary of the date of grant as may be determined by the Directors. The exercise price is determined by the Directors, and will not be less than the highest of (i) the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options; (ii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options; or (iii) the nominal value of a share. An option may be accepted by an eligible participant within 28 days from the date of the offer of grant of the option.

On 13 May 2022, an aggregate of 16,700,000 share options granted under the Scheme to the eligible participants and the closing price of the shares immediately before the date on which the options were granted was HK\$0.415. The fair values of the share options granted to the eligible participants, which were the employees and directors of the Company, were approximately RMB1,964,000 and RMB1,044,000 respectively.

根據該計劃可能授出之購股權獲行使時，可予發行之股份數目最多不超過本公司於採納該計劃當日之已發行股本10%。該上限可隨時更新，惟新限額不得超過股東於股東大會批准當日本公司之已發行股本之10%。然而，根據該計劃及本公司任何其他計劃已授出但尚未行使之全部購股權獲行使時，可予發行之股份總數不得超過不時已發行股份之30%。於二零二三年十二月三十一日及本報告日期，根據該計劃授出的共計19,830,000份購股權未行使，佔本公司已發行股本總額約11.3%。於本報告日期，因行使根據該計劃將予授出的所有購股權而可供發行的股份總數為17,511,510股，相當於本公司當日已發行股本約10%。於任何十二個月期間內，向任何個別人士授出之購股權獲行使時，可予發行之股份最高數目不得超過該十二個月期間最後一天本公司之已發行股份之1%，除非按照上市規則經由本公司股東批准則作別論。象徵式代價1港元須於接納授出購股權時支付。

購股權可於授出購股權日期起計，直至授出日期十週年的任何時間內行使，而期限由董事決定。行使價則由董事釐定，並將不會低於以下之較高者：(i) 於購股權授出日期股份在聯交所每日報價表所報之收市價；(ii) 緊接購股權授出日期前五個營業日股份在聯交所每日報價表所報之平均收市價；或(iii) 股份面值。合資格參與者可於要約授出購股權之日起計28天內接受購股權。

於二零二二年五月十三日，根據該計劃向合資格參與者授出合共16,700,000份購股權，緊隨授出購股權日期前的股份收市價為0.415港元。向合資格參與者（為本公司的僱員及董事）授出的購股權之公平值分別約為人民幣1,964,000元及人民幣1,044,000元。

DIRECTORS' REPORT (Continued)

董事會報告 (續)

The movements in the Company's share options granted to the eligible participants during the year ended 31 December 2023 were as follows:

合資格參與者所獲授本公司購股權截至二零二三年十二月三十一日止年度內之變動如下：

	Date of grant 授出日期	Exercise price HK\$ 行使價 港元	Outstanding at 1 January 2023 於二零二三年 一月一日 尚未行使	Movement during the period 期內變動			Outstanding at 31 December 2023 於二零二三年 十二月三十一日 尚未行使	Exercise period 行使期
				Granted 已授出	Exercised 已行使	Cancelled 已註銷		
Category 1: 類別1:								
Directors 董事								
Zhuang Yuejin 莊躍進	13 May 2022 二零二二年五月十三日	0.433	1,670,000	-	-	-	1,670,000	13 May 2022 to 12 May 2024 二零二二年五月十三日至 二零二四年五月十二日
Wong Ho Yin (resigned on 18 October 2023) 黃浩然 (於二零二三年 十月十八日辭任)	13 May 2022 二零二二年五月十三日	0.433	1,670,000	-	-	-	(1,670,000)	13 May 2022 to 12 May 2024 二零二二年五月十三日至 二零二四年五月十二日
Xiao Suni 肖蘇妮	13 May 2022 二零二二年五月十三日	0.433	1,670,000	-	-	-	1,670,000	13 May 2022 to 12 May 2024 二零二二年五月十三日至 二零二四年五月十二日
Total 總計			5,010,000	-	-	-	(1,670,000)	3,340,000
Category 2: 類別2:								
Employees 僱員								
	4 April 2019 二零一九年四月四日	2.500	4,800,000	-	-	-	4,800,000	4 April 2019 to 3 April 2029 二零一九年四月四日至 二零二九年四月三日
	12 May 2021 二零二一年五月十二日	0.690	7,960,000	-	-	-	(7,960,000)	12 May 2021 to 11 May 2023 二零二一年五月十二日至 二零二三年五月十一日
	13 May 2022 二零二二年五月十三日	0.433	11,690,000	-	-	-	11,690,000	13 May 2022 to 12 May 2024 二零二二年五月十三日至 二零二四年五月十二日
Total 總計			24,450,000	-	-	-	(7,960,000)	16,490,000
Total 總計			29,460,000	-	-	-	(9,630,000)	19,830,000

DIRECTORS' REPORT (Continued)

董事會報告(續)

AUDITORS

Following the resignation of HLB Hodgson Impey Cheng Limited (“HLB”) as the auditor of the Company on 7 January 2022, Elite Partners CPA Limited (“Elite Partners”) was appointed as the auditor of the Company by the Board on the same day and to hold office until the conclusion of the next annual general meeting of the Company.

The consolidated financial statements of the Company for the year ended 31 December 2023 were audited by Elite Partners whose terms of office will expire upon the forthcoming annual general meeting of the Company. A resolution for the re-appointment of Elite Partners as the auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

The Board confirmed that there was no disagreement between HLB and the Company. Save as disclosed above, there were no other changes in auditor of the Company during the past three years.

On behalf of the Board

Zhuang Yuejin

Chairman and Chief Executive Officer

Hong Kong, 31 March 2024

核數師

國衛會計師事務所有限公司(「國衛」)於二零二二年一月七日辭任本公司核數師後，開元信德會計師事務所有限公司(「開元信德」)於同日獲董事會委任為本公司核數師，並任職至本公司下屆股東週年大會結束時止。

本公司截至二零二三年十二月三十一日止年度的綜合財務報表由開元信德審核，其任期將於本公司應屆股東週年大會時屆滿。本公司將於應屆股東週年大會上提呈重新委任開元信德為本公司核數師的決議案。

董事會確認國衛與本公司並無意見分歧。除上文所披露者外，本公司核數師於過去三年內並無其他變動。

代表董事會

莊躍進

主席兼行政總裁

香港，二零二四年三月三十一日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



TO THE SHAREHOLDERS OF
CHINA AUTOMOTIVE INTERIOR DECORATION HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of China Automotive Interior Decoration Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 47 to 135, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Deconsolidation of subsidiaries

As disclosed in the notes to the consolidated financial statements, the Group acquired Loyal Brands International Limited and its subsidiaries, including Grand York Limited, Giant Faith Holdings Limited, 深圳文嘉勝商貿有限公司 and 深圳隆信堂食品有限公司 ("Loyal Brands Group"), in May 2017. Loyal Brands Group principally engaged in trading of food products.

In or around November 2023, the board of directors of the Company (the "Board") was informed by Mr. Wong Ho Yin, the former director of the Company who resigned as the executive director of the Company on 18 October 2023, that the business and accounting records of Loyal Brands Group, including but not limited to sales invoice, purchase invoice, accounting ledger and vouchers, were unable to locate. The Board has also tried to contact the person-in-charge of Loyal Brands Group (the "Responsible Staff") through Mr. Wong Ho Yin, but he was unable to (i) contact the Responsible Staff and (ii) obtain the accounting books and records of Loyal Brands Group.

致
中國汽車內飾集團有限公司股東
(於開曼群島註冊成立的有限公司)

不發表意見

我們獲委聘審計列載於第47至135頁的中國汽車內飾集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零二三年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表之附註,包括重要會計政策資料。

我們不會就 貴集團的綜合財務報表發表意見。因為由於我們報告中「不發表意見的基礎」一節所述事項的重要性,我們未能取得足夠適當的審計憑證,為我們對綜合財務報表發表審計意見提供基礎。在所有其他方面,我們認為綜合財務報表已按照香港公司條例的披露規定妥為擬備。

不發表意見的基礎

終止綜合入賬附屬公司

誠如綜合財務報表附註所披露, 貴集團於二零一七年五月收購Loyal Brands International Limited及其附屬公司,包括Grand York Limited、Giant Faith Holdings Limited、深圳文嘉勝商貿有限公司及深圳隆信堂食品有限公司(「Loyal Brands集團」)。Loyal Brands集團主要從事食品買賣。

於二零二三年十一月或前後, 貴公司董事會(「董事會」)獲 貴公司前董事黃浩然先生(彼於二零二三年十月十八日辭任 貴公司執行董事)告知,未能找到Loyal Brands集團的業務及會計記錄,包括但不限於銷售發票、採購發票、會計台賬及憑證。董事會亦已嘗試透過黃浩然先生聯絡Loyal Brands集團的負責人(「負責人員」),但彼無法(i)聯繫負責人員及(ii)取得Loyal Brands集團的會計賬簿及記錄。

INDEPENDENT AUDITOR'S REPORT (Continued)

獨立核數師報告(續)

On 27 December 2023, Mr. Ng Chung Ho was appointed as an executive director of the Company. Mr. Ng Chung Ho had thoroughly searched all the files and documents kept in the office in Hong Kong and was unable to locate any business and accounting records for Loyal Brands Group. Mr. Ng Chung Ho also tried to contact the Responsible Staff but unable to obtain positive response and cooperation. Mr. Ng Chung Ho further contacted the director of Loyal Brands Group but the director of Loyal Brands Group replied that he did not have any accounting books and records of Loyal Brands Group.

In light of the above circumstances, the Group considered it had lost control over Loyal Brand Group and had excluded the consolidated financial position of Loyal Brand Group as at and after and the results and cash flows of Loyal Brand Group since 1 January 2023 from the consolidated financial statements of the Group for the year ended 31 December 2023 (the "Deconsolidation").

Due to the insufficient supporting documents and relevant explanations on (i) the accounting books and records in respect of Loyal Brand Group and its operations (ii) the Deconsolidation, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether (i) the Deconsolidation of Loyal Brand Group on 1 January 2023 and the loss on Deconsolidation of approximately RMB6,470,000; (ii) the income and expenses for the years ended 31 December 2023; (iii) the assets and liabilities as at 31 December 2023; and (iv) the segment information and other related disclosure notes in relation to the Group, as included in the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the consolidated financial statements.

Any adjustments to the figures described above might have a consequential effect on the Group's consolidated financial performance and consolidated cash flows for the years ended 31 December 2023, the consolidated financial position of the Group as at 31 December 2023 and the related disclosure thereof in the consolidated financial statements.

RESPONSIBILITIES OF THE DIRECTORS AND 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 the HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (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.

於二零二三年十二月二十七日，伍忠豪先生獲委任為貴公司執行董事。伍忠豪先生已徹底搜索香港辦事處保存的所有文檔及文件，但並未找到Loyal Brands集團的任何業務及會計記錄。伍忠豪先生亦嘗試聯繫負責人員，但無法獲得正面回應及合作。伍忠豪先生進一步聯絡到Loyal Brands集團的董事，但Loyal Brands集團的董事回覆稱，彼並無Loyal Brands集團的任何會計賬簿及記錄。

鑑於上述情況，貴集團認為其已失去對Loyal Brands集團的控制權，並已將Loyal Brands集團於二零二三年一月一日及之後的綜合財務狀況以及Loyal Brands集團自該日期以來的業績及現金流量從貴集團截至二零二三年十二月三十一日止年度的綜合財務報表中剔除（「終止綜合入賬」）。

由於有關(i) Loyal Brands集團及其業務的會計賬簿及記錄；及(ii)終止綜合入賬的證明文件及相關解釋不足，我們無法取得足夠適當的審核憑證，以令我們信納(i) Loyal Brands集團於二零二三年一月一日終止綜合入賬及終止綜合入賬的虧損約人民幣6,470,000元；(ii)截至二零二三年十二月三十一日止年度的收入及開支；(iii)於二零二三年十二月三十一日的資產及負債；及(iv)貴集團綜合財務報表所載有關貴集團的分部資料及其他相關披露附註是否已於綜合財務報表準確記錄及妥為入賬。

上述數字的任何調整均可能對貴集團截至二零二三年十二月三十一日止年度的綜合財務表現及綜合現金流量、貴集團於二零二三年十二月三十一日的綜合財務狀況以及綜合財務報表中的相關披露產生相應影響。

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責遵照香港會計師公會（「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，以及對董事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。

INDEPENDENT AUDITOR'S REPORT (Continued)

獨立核數師報告(續)

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.

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. This report is made solely to you, as a body, in accordance with our agreed terms of engagements, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to form an audit opinion on these consolidated financial statements.

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.

The engagement partner on the audit resulting in this independent auditor's report is Leung Man Kin with Practising Certificate number P07174.

Elite Partners CPA Limited
Certified Public Accountants
Hong Kong, 31 March 2024

Level 23, YF Life Tower,
33 Lockhart Road,
Wan Chai, Hong Kong

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 貴集團清盤或停止營運，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。

核數師就審計綜合財務報表須承擔的責任

我們的責任是根據香港會計師公會頒佈的香港審計準則審計 貴集團的綜合財務報表，並出具核數師報告。本報告僅根據我們協定的聘用條款向閣下(作為整體)作出，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。然而，基於本報告中不發表意見的基礎一節所述事項，我們未能就該等綜合財務報表形成審計意見。

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道德責任。

出具本獨立核數師報告的審計項目合夥人為梁文健，其執業證書編號為P07174。

開元信德會計師事務所有限公司
執業會計師
香港，二零二四年三月三十一日

香港灣仔
駱克道33號
萬通保險大樓23樓

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
截至二零二三年十二月三十一日止年度

			2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Revenue	收入	9	113,673	184,036
Cost of sales	銷售成本		(82,878)	(164,550)
Gross profit	毛利		30,795	19,486
Other net gain/(losses)	其他收益／(虧損)淨額	10	5,011	(19,132)
Selling and distribution costs	銷售及分銷成本		(3,837)	(7,656)
Share of result of associates	應佔聯營公司業績		(2,837)	297
Net allowance for expected credit losses	預期信貸虧損撥備淨額		27,540	(27,228)
Administrative expenses	行政開支		(20,745)	(42,167)
Profit/(loss) from operations	經營溢利／(虧損)	11	35,927	(76,400)
Finance costs	融資成本	12	(1,580)	(2,070)
Profit/(loss) before tax	除稅前溢利／(虧損)		34,347	(78,470)
Income tax expense	所得稅開支	13	(4,316)	(88)
Profit/(loss) for the year attributable to the owners of the Company	本公司擁有人應佔年度溢利／(虧損)		30,031	(78,558)

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
截至二零二三年十二月三十一日止年度

		Notes 附註	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Profit/(loss) for the year	年度溢利／(虧損)		30,031	(78,558)
Other comprehensive income/(expense) for the year, net of income tax:	年度其他全面收益／(開支)，扣除所得稅後：			
Item that will not be reclassified to profit or loss:	不會重新分類至損益的項目：			
Exchange differences on translation from functional currency to presentation currency	換算功能貨幣至呈報貨幣之匯兌差額		1,985	5,771
Item that may be reclassified subsequently to profit or loss:	其後可重新分類至損益的項目：			
Exchange differences on translating foreign operations	換算海外業務之匯兌差額		(1,552)	(1,105)
Reclassification adjustment for the cumulative exchange reserve included in profit or loss upon the Deconsolidation	終止綜合入賬後計入損益之累計匯兌儲備重新分類調整		62	-
Total other comprehensive income for the year	年度其他全面收益總額		495	4,666
Total comprehensive income/(expense) for the year attributable to the owners of the Company	本公司擁有人應佔年度全面收益／(開支)總額		30,526	(73,892)
			RMB 人民幣	RMB 人民幣
Earnings/(loss) per share	每股盈利／(虧損)			
Basic and diluted	基本及攤薄	14	17.15 cents 分	(45.56) cents 分

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2023
於二零二三年十二月三十一日

			2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
	Notes 附註			
ASSETS		資產		
Non-current assets		非流動資產		
Property, plant and equipment	18	物業、廠房及設備	19,010	24,052
Investment property	19	投資物業	3,777	4,133
Right-of-use assets	20	使用權資產	6,323	8,978
Interests in associates	22	於聯營公司的權益	5,874	10,801
Deferred tax assets	35	遞延稅項資產	–	3,826
Prepayments for acquisition of property, plant and equipment	25	收購物業、廠房及設備的預付款項	58,155	–
			93,139	51,790
Current assets		流動資產		
Inventories	23	存貨	21,447	23,158
Trade and bills receivables	24	應收貿易款項及票據	73,310	144,569
Prepayments, deposits and other receivables	25	預付款項、按金及其他應收款項	24,127	43,057
Financial assets at fair value through profit or loss	26	按公平值於損益列賬的金融資產	27,368	19,319
Cash and bank balances	27	現金及銀行結餘	26,043	25,324
			172,295	255,427
Total assets		資產總額	265,434	307,217
EQUITY		權益		
Capital and reserves attributable to the owners of the Company		本公司擁有人應佔資本及儲備		
Share capital	28	股本	3,643	3,643
Reserves	29	儲備	148,549	118,023
Total equity		權益總額	152,192	121,666

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

綜合財務狀況表 (續)

As at 31 December 2023
於二零二三年十二月三十一日

		Notes 附註	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
LIABILITIES	負債			
Non-current liability	非流動負債			
Lease liabilities	租賃負債	34	2,552	4,608
Current liabilities	流動負債			
Trade payables	應付貿易款項	30	30,447	50,596
Accruals and other payables	應計費用及其他應付款項	31	12,580	18,120
Contract liabilities	合約負債	32	3,133	46,537
Bank borrowings	銀行借款	33	25,000	25,000
Lease liabilities	租賃負債	34	2,020	2,754
Tax payable	應付稅項		37,510	37,936
			110,690	180,943
Total liabilities	負債總額		113,242	185,551
Total equity and liabilities	權益及負債總額		265,434	307,217
Net current assets	流動資產淨額		61,605	74,484
Total assets less current liabilities	總資產減流動負債		154,744	126,274
Net assets	資產淨額		152,192	121,666

Approved by the Board of Directors on 31 March 2024 and signed
on its behalf by:

於二零二四年三月三十一日由董事會批准並由下
列人士代表簽署：

Zhuang Yuejin
莊躍進
Director
董事

Ng Chung Ho
伍忠豪
Director
董事

The accompanying notes form an integral part of these consolidated financial statements.
隨附的附註為該等綜合財務報表的組成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

		Share capital	Share premium	Merger reserve	Foreign currency translation reserve	Share option reserve	Statutory reserve	Accumulated losses	Total equity
		股本	股份溢價	合併儲備	外幣換算儲備	購股權儲備	法定儲備	累計虧損	權益總額
		RMB'000	RMB'000	RMB'000	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	人民幣千元	人民幣千元	人民幣千元
			(note 29)	(note 29)	(note 29)	(note 41)	(note 29)		
			(附註29)	(附註29)	(附註29)	(附註41)	(附註29)		
At 1 January 2022	於二零二二年一月一日	3,476	322,051	5,992	29,903	6,086	11,818	(189,618)	189,708
Loss for the year	年度虧損	-	-	-	-	-	-	(78,558)	(78,558)
Exchange difference on translating functional currency to presentation currency	換算功能貨幣至呈報貨幣之匯兌差額	-	-	-	5,771	-	-	-	5,771
Exchange difference on translating foreign operations	推算海外業務之匯兌差額	-	-	-	(1,105)	-	-	-	(1,105)
Total comprehensive income/(expense) for the year	年度全面收益/(開支)總額	-	-	-	4,666	-	-	(78,558)	(73,892)
Share-based payment expenses	股份付款開支	-	-	-	-	3,008	-	-	3,008
Exercise of share options	行使購股權	167	3,594	-	-	(919)	-	-	2,842
Lapse of share options	購股權失效	-	-	-	-	(7)	-	7	-
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及二零二三年一月一日	3,643	325,645	5,992	34,569	8,168	11,818	(268,169)	121,666
Profit for the year	年度溢利	-	-	-	-	-	-	30,031	30,031
Exchange difference on translating functional currency to presentation currency	換算功能貨幣至呈報貨幣之匯兌差額	-	-	-	1,985	-	-	-	1,985
Exchange difference on translating foreign operations	推算海外業務之匯兌差額	-	-	-	(1,552)	-	-	-	(1,552)
Reclassification adjustment for the cumulative exchange reserve included in profit or loss upon Deconsolidation	終止綜合入賬後計入損益之累計匯兌儲備重新分類調整	-	-	-	62	-	-	-	62
Total comprehensive income for the year	年度全面收益總額	-	-	-	495	-	-	30,031	30,526
Lapse of share options	購股權失效	-	-	-	-	(301)	-	301	-
At 31 December 2023	於二零二三年十二月三十一日	3,643	325,645	5,992	35,064	7,867	11,818	(237,837)	152,192

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

隨附的附註為該等綜合財務報表的組成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2023
截至二零二三年十二月三十一日止年度

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動產生的現金流量		
Profit/(loss) before tax	除稅前溢利／（虧損）	34,347	(78,470)
Adjustments for:	就以下各項作出調整：		
Finance costs	融資成本	1,580	2,070
Interest income	利息收入	(67)	(50)
(Reversal of allowance)/allowance for expected credit losses on trade receivables	應收貿易款項的預期信貸虧損（撥備撥回）／撥備	(26,446)	29,898
Reversal of allowance for expected credit losses on other receivables	其他應收款項的預期信貸虧損撥備撥回	(1,094)	(2,670)
Provision for impairment on interests in associates	於聯營公司的權益減值撥備	2,358	4,396
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,469	3,404
Depreciation on investment property	投資物業折舊	356	152
Depreciation on right-of-use assets	使用權資產折舊	2,418	2,938
Fair value (gain)/loss on financial assets at fair value through profit or loss	按公平值於損益列賬的金融資產的公平值（收益）／虧損	(6,349)	20,354
Realised (gain)/loss on disposal of financial assets at fair value through profit or loss	出售透過損益按公平值列賬的金融資產的已變現（收益）／虧損	(568)	570
Share of results of associates	應佔聯營公司業績	2,837	(297)
Share-based payment expenses	股份付款開支	-	3,008
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	4,697	9,986
Loss on Deconsolidation of subsidiaries	終止綜合入賬附屬公司的虧損	6,470	-
Operating cash flow before investments in working capital changes	營運資金變動前投資的經營現金流量	22,008	(4,711)
Decrease in inventories	存貨減少	1,711	7,435
Decrease/(increase) in trade and bills receivables	應收貿易款項及票據減少／（增加）	82,258	(17,134)
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少／（增加）	19,859	(11,007)
(Increase)/decrease in financial assets at fair value through profit or loss	按公平值於損益列賬的金融資產（增加）／減少	(585)	416
(Decrease)/increase in trade payables	應付貿易款項（減少）／增加	(19,975)	9,985
Increase in accruals and other payables	應計費用及其他應付款項增加	2,161	4,693
(Decrease)/increase in contract liabilities	合約負債（減少）／增加	(42,606)	16,530
Net cash generated from operations	經營所得現金淨額	64,831	6,207
Income tax paid	已付所得稅	(330)	(53)
Net cash generated from operating activities	經營活動所得現金淨額	64,501	6,154

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

綜合現金流量表 (續)

For the year ended 31 December 2023
截至二零二三年十二月三十一日止年度

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動產生的現金流量		
Interest received	已收利息	67	50
Purchase of property, plant and equipment	購置物業、廠房及設備	(1,128)	(900)
Prepayment for acquisition of property, plant and equipment	收購物業、廠房及設備的 預付款項	(58,155)	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	4	44
Net cash outflow from deconsolidation of subsidiaries	終止綜合入賬附屬公司產生的 現金流出淨額	(61)	-
Net cash used in investing activities	投資活動所用現金淨額	(59,273)	(806)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動產生的現金流量		
Proceeds from bank borrowings	銀行借款所得款項	25,000	45,000
Proceeds from issue of shares upon exercising of share options	行使購股權時發行股份所得款項	-	2,842
Repayment of bank borrowings	償還銀行借款	(25,000)	(50,000)
Repayment of interest on borrowings	償還借款利息	(1,293)	(1,500)
Repayment of capital element of lease liabilities	償還租賃負債的資本部分	(2,547)	(2,633)
Repayment of interest on lease liabilities	償還租賃負債利息	(287)	(570)
Net cash used in financing activities	融資活動所用現金淨額	(4,127)	(6,861)
Net increase/(decrease) in cash and cash equivalents	現金及現金等值物 增加/(減少)淨額	1,101	(1,513)
Cash and cash equivalents at the beginning of the year	於年初的現金及現金等值物	25,324	24,583
Effect of foreign currency exchange rate changes	外幣匯率變動的影響	(382)	2,254
Cash and cash equivalents at the end of the year	於年終的現金及現金等值物	26,043	25,324

The accompanying notes form an integral part of these consolidated financial statements.
隨附的附註為該等綜合財務報表的組成部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

1. GENERAL INFORMATION

China Automotive Interior Decoration Holdings Limited (the “Company”) was a public limited company incorporated in Cayman Islands on 9 December 2009 as an exempted company with limited liability under the Companies Law (2000 Revision) of the Cayman Islands, and its shares are listed on The Stock Exchange of Hong Kong Limited. Its ultimate controlling party is Mr. Zhuang Yuejin, who is also the Chairman and Managing Director of the Company. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The principal activity of the Company is investment holding. The Group is principally engaged in the manufacture and sale of nonwoven fabric related products used in automotive interior decoration parts and other parts, trading of rubber and food products.

The Company’s functional currency is Hong Kong dollars (“HKD”). However, the consolidated financial statements are presented in Renminbi (“RMB”), as the directors of the Company consider that RMB is the functional currency of the primary economic environment in which most of the Group’s transactions are denominated and settled in and this presentation is more useful for its current and potential investors. The consolidated of financial statements are presented in thousands of Renminbi (“RMB’000”), unless otherwise stated.

1. 一般資料

中國汽車內飾集團有限公司(「本公司」)為公眾有限公司，於二零零九年十二月九日根據開曼群島公司法(二零零零年版)於開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司上市。其最終控股方為莊躍進先生，彼亦為本公司主席及董事總經理。本公司的註冊辦事處及主要營業地點於年報的公司資料一節披露。

本公司主要業務為投資控股。本集團主要從事製造及銷售用於汽車內飾件及其他部分的無紡布相關產品、買賣橡膠及食品。

本公司的功能貨幣為港元(「港元」)。然而，由於本公司董事認為人民幣(「人民幣」)為主要經濟環境的功能貨幣，本集團大部分交易以人民幣計值及結算，且該呈列對現有及潛在投資者更有用，故綜合財務報表以人民幣呈列。除另有說明外，綜合財務報表以人民幣千元(「人民幣千元」)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

截至二零二三年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

2.1 New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

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

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

Impacts on the application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the HKFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

2.1 於本年度強制生效的新訂及經修訂香港財務報告準則

於本年度，本集團已就編製綜合財務報表首次應用下列由香港會計師公會(「香港會計師公會」)頒佈並於二零二三年一月一日或之後開始的年度期間強制生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第17號 (包括二零二零年十月及 二零二二年二月的修訂本)	保險合約
香港會計準則第8號 (修訂本)	會計估計的定義
香港會計準則第12號 (修訂本)	與單一交易產生 之資產及負債 相關的遞延稅項
香港會計準則第12號 (修訂本)	國際稅收改革— 支柱二立法模板
香港會計準則第1號及 香港財務報告準則 實務公告第2號(修訂本)	會計政策的披露

除下文所述者外，於本年度應用其他新訂及經修訂香港財務報告準則對本集團於本年度及過往年度的財務狀況及表現及／或此等綜合財務報表所載披露並無重大影響。

應用香港會計準則第1號及香港財務報告準則實務公告第2號(修訂本)會計政策的披露的影響

根據該等修訂所載的指引，屬於標準化資料或僅複述或概述香港財務報告準則要求的會計政策資料被視為非重要會計政策資料，不再於綜合財務報表附註中披露，以免掩蓋綜合財務報表附註中披露的重要會計政策資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

2.2 Amendments to HKFRSs in issue but not yet effective

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

Amendments to HKAS 28 and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendment to HKAS 1	Classification of Liabilities as Current or Non-current ¹
Amendments to HKAS 1	Non-current Liabilities with Covenants ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ¹
Amendments to HKAS 21	Lack of Exchangeability ²

¹ effective for annual periods beginning on or after 1 January 2024.

² effective for annual periods beginning on or after 1 January 2025.

³ effective for annual periods beginning on or after a date to be determined.

The Directors anticipate that the application of all amendments to HKFRSs will not have material impact on the consolidated financial statements in the foreseeable future.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

2.2 已頒佈但尚未生效之經修訂香港財務報告準則

本集團尚未提前採納以下已頒佈但尚未生效之經修訂香港財務報告準則：

香港會計準則第28號及香港財務報告準則第10號(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注入 ³
香港財務報告準則第16號(修訂本)	售後租回中的租賃負債 ¹
香港會計準則第1號(修訂本)	將負債分類為流動或非流動 ¹
香港會計準則第1號(修訂本)	附帶契諾的非流動負債 ¹
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 ¹
香港會計準則第21號(修訂本)	缺乏可兌換性 ²

¹ 於二零二四年一月一日或之後開始的年度期間生效。

² 於二零二五年一月一日或之後開始的年度期間生效。

³ 於待定期限或之後開始的年度期間生效。

董事預計應用所有經修訂香港財務報告準則不會對可預見將來的綜合財務報表有重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs, which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the HKICPA, and accounting principles generally accepted in Hong Kong. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

4. MATERIAL ACCOUNTING POLICIES

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company has power over the investee; is exposed, or has rights to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies.

3. 綜合財務報表編製基準

綜合財務報表乃根據香港財務報告準則編製(該詞彙包括所有個別適用的香港財務報告準則、香港會計師公會頒佈的香港會計準則(「香港會計準則」)及詮釋及香港公認會計準則)。作為編製綜合財務報表資料之用,如合理預期資料會影響主要使用者之決策,則該等資料將會被視為重大。此外,綜合財務報表包括香港聯合交易所有限公司證券上市規則(「上市規則」)及香港公司條例規定之適用披露事項。

綜合財務報表乃根據歷史成本基準編製,惟若干金融工具乃按各報告期末的公平值計量(如下述會計政策所闡述)。

4. 重要會計政策

編製該等綜合財務報表應用之重要會計政策載列如下。除另有註明者外,該等政策在所呈列之所有年度內貫徹應用。

綜合賬目基準

綜合財務報表載入本公司及本公司與其附屬公司控制之實體之財務報表。僅當本公司擁有對被投資者之權力、通過參與被投資者之活動而面臨或有權享有可變回報及有能力行使權力影響其回報金額,方具控制權。

如有需要,本集團會對附屬公司之財務報表作出調整,使其會計政策與本集團之會計政策一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICIES

(Continued)

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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.

Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting.

The financial statements of associates used for equity amounting purposes are prepared using uniform amounting policies as those of the Group for like transactions and events in similar circumstances.

Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

4. 重要會計政策(續)

附屬公司

附屬公司指本集團有權規管其財務及經營政策，一般附帶超過半數表決權的所有實體（包括特殊目的實體）。於評估本集團是否控制另一實體時，會考慮現時可行使或可轉換的潛在表決權的存在及影響。

獨立財務報表

於附屬公司的投資按成本扣除減值列賬。成本包括直接應佔投資成本。附屬公司的業績乃由本公司按已收股息及應收股息基準入賬。

倘股息超出附屬公司宣派股息期間全面收益總額，或倘獨立財務報表中投資賬面值超出綜合財務報表所示投資對象資產淨值（包括商譽）的賬面值，則須於自該投資收取股息時，對該等投資進行減值測試。

於聯營公司之投資

聯營公司指本集團能對其行使重大影響力之實體。重大影響力指可參與被投資者之財務及營運決策但不是控制或共同控制該等政策之權力。

聯營公司之業績以及資產及負債以權益會計法於該等綜合財務報表入賬。

聯營公司有關股權融資的財務報表採用與本集團於類似情況下進行類似交易及事項的一致會計政策而編製。

根據權益法，於聯營公司之投資初步按成本於綜合財務狀況表內確認，並於其後就確認本集團應佔該聯營公司之損益及其他全面收入予以調整。當本集團應佔該聯營公司之虧損超出本集團於該聯營公司之權益時，本集團終止確認其應佔之進一步虧損。僅於本集團已產生法定或推定責任，或已代表該聯營公司支付款項之情況下，方會確認額外虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

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4. MATERIAL ACCOUNTING POLICIES

(Continued)

Investment in associates (Continued)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the requirements of HKAS 36 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill, if any) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less cost of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate of the Group, profits or losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue recognition

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

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

4. 重要會計政策(續)

於聯營公司之投資(續)

於聯營公司之投資乃自被投資方成為聯營公司當日起按權益法入賬。收購於聯營公司之投資時，投資成本超出本集團應佔該被投資方之可識別資產及負債之公平值淨額之任何數額確認為商譽，並計入該投資之賬面值。本集團所佔之可識別資產及負債之公平值淨額超出投資成本部分，在重新評估後，即時於投資收購期間於損益內確認。

本集團評估是否有客觀證據表明在聯營公司中的權益可能減值。如果有任何客觀證據，應用香港會計準則第36號之規定釐定是否有必要就本集團於聯營公司之投資確認任何減值虧損。必要時，投資之全部賬面值(包括商譽，如有)將視作單一資產並按香港會計準則第36號「資產減值」透過將其可收回金額(即使用價值和公平值減出售成本之較高者)與賬面值作比較以進行減值測試。任何已確認之減值虧損會成為投資賬面值之一部分。倘投資之可收回金額其後回升，減值虧損之任何撥回會按照香港會計準則第36號確認。

倘集團實體與本集團之聯營公司進行交易，僅在聯營公司之權益與本集團無關之情況下，方會於本集團綜合財務報表中確認與聯營公司進行交易所產生之溢利或虧損。

收入確認

本集團於(或就此)完成履約責任時確認收入，即於特定履約責任相關的貨品的「控制權」轉移予客戶時。

履約責任指明確的貨品(或一籃子貨品)或一系列明確而大致相約的貨品。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

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截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICIES

(Continued)

Revenue recognition (Continued)

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

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

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

For contracts that contain more than one performance obligation, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

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

4. 重要會計政策(續)

收入確認(續)

倘若符合以下其中一個條件，控制權隨時間轉移而收入按照完成相關履約責任的進度隨時間確認：

- 客戶同時收到並消耗本集團執行履約時所帶來的利益；
- 本集團執行履約時所創建及提升客戶所控制的資產；或
- 本集團履約時沒有創建對本集團有其他用途的資產，而本集團就迄今已完成的履約擁有可強制執行的收款權利。

否則，收入在客戶取得對明確貨品的控制權的時間點確認。

合約負債指本集團有責任將貨品或服務轉移至客戶，而本集團已從客戶收到代價（或代價金額到期）。

就載有超過一項履約責任的合約而言，本集團按相對獨立售價基準將成交價分配至各履約責任。

各項履約責任相關的明確貨品或服務的單獨售價乃於合約訂立時釐定，指本集團單獨將有關貨品或服務售予客戶的價格。倘無法直接觀察單獨售價，本集團使用適當技巧進行估計，故最終分配至任何履約責任的交易價格反映本集團預期在轉交有關貨品或服務予客戶的交易中可收取的代價金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

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4. MATERIAL ACCOUNTING POLICIES

(Continued)

Revenue recognition (Continued)

Sale of goods

Manufacture and sale of nonwoven fabric related products and supply and procurement operation

Revenue from manufacture and sale of nonwoven fabric related products and supply and procurement operation are recognised when control of the products has transferred, being at the point the products are delivered to the customer and the customer has accepted the products, and there is no unfulfilled obligation that could affect the customer'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 customer, and either the customer 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.

Revenue from these sales is recognised based on the price specified in the contract, net of discounts, returns and value added taxes.

A receivable is recognised when the products are delivered and the customers accept the products, 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. The normal credit term is 30 to 120 days upon delivery. Payment in advance is required for some contracts.

Leases

The Group as a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of office premise that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the leases term.

4. 重要會計政策(續)

收入確認(續)

銷售貨品

生產及銷售無紡布相關產品與供應及採購業務

無紡布相關產品的生產及銷售收入以及供應及採購業務的收入於產品的控制權轉移時(即產品交付予客戶且客戶接納產品時)確認,並無未履約責任而可能影響客戶對產品的接納。產品被送至指定位置,過時及虧損風險轉移予客戶,而客戶根據銷售合約接納產品、驗收規定失效或本集團有客觀證據表明已滿足所有接納標準,則完成交付。

該等銷售收入根據合約中指定的價格扣除折扣、退貨及增值稅後確認。

應收款項於產品交付給客戶且客戶接受產品時予以確認,因為在此刻代價已經成為無條件,款項到期前只需經過時間推移。一般信貸期為交付後30至120日。部分合約要求預付款項。

租賃

本集團作為承租人

短期租賃

本集團將短期租賃確認豁免應用於辦公室物業的租賃,該租賃的租期自開始日期起計為期十二個月或以下並且不包括購買選擇權。短期租賃的租賃付款於租賃期內按直線法或另一系統基準確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICIES

(Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as separate line item on the consolidated statement of financial position.

Lease liabilities

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

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

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

Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and subsequent accumulated impairment losses.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation is provided to write off the cost of property, plant and equipment, using the straight-line method, over their estimated useful lives. The principal useful lives are as follows:

Building	30 years
Plant and machinery	12 years
Motor vehicles	8 years
Furniture and fixtures	6 years
Leasehold improvements	5 years

The useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate amounted for on a prospective basis.

4. 重要會計政策(續)

租賃(續)

本集團作為承租人(續)

使用權資產

使用權資產按成本減任何累計折舊及減值虧損計量。

使用權資產以直線法於其估計可使用年期與租期兩者中的較短者計提折舊。

本集團將使用權資產於綜合財務狀況表中作個別項目呈列。

租賃負債

於租賃開始日期，本集團按該日未付租賃付款的現值確認及計量租賃負債。倘租賃隱含利率難以釐定，則本集團使用租賃開始日期的增量借款利率計算租賃付款現值。

於開始日期後，租賃負債就應計利息及租賃付款作出調整。

本集團於綜合財務狀況表將租賃負債呈列為單獨項目。

物業、廠房及設備

所有物業、廠房及設備按成本減累計折舊及其後累計減值虧損列賬。

資產的成本包括購買價格及任何令資產達致其運作狀況及運往現址作擬定用途的直接成本。

物業、廠房及設備之折舊就其估計可使用年期使用直線法計提撥備，以撇銷其成本。主要可使用年期如下：

樓宇	30年
廠房及機器	12年
汽車	8年
傢俬及裝置	6年
租賃物業裝修	5年

可使用年期及折舊方法於各報告期末進行檢討及調整(如適用)。估計數額的任何變化均按未來基準進行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICIES

(Continued)

Property, plant and equipment (Continued)

Transfer from owner-occupied property to investment property carried at fair value

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land classified as right-of-use assets) at the date of transfer is recognised in other comprehensive income and accumulated in revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained profits.

Investment properties

Investment properties measured using the cost model

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Depreciation is provided to write off the cost of investment property, using the straight-line method, over its estimated useful life. The principal useful life is as follows:

Building	30 years
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Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges.

4. 重要會計政策(續)

物業、廠房及設備(續)

從業主自用的物業轉入以公平值計量的投資物業

倘物業因其用途改變而成為投資物業(如業主自用期結束所示),則該項目(包括分類為使用權資產的相關租賃土地)於轉讓日期的賬面值與公平值之間的任何差額於其他全面收益中確認並累計至物業重新估值儲備。於其後出售或退役時,相關重新估值儲備將直接轉撥至保留溢利。

投資物業

使用成本模式計量的投資物業

投資物業乃持作賺取租金及/或資本增值之物業。

投資物業亦包括租賃物業,確認為使用權資產,並由本集團根據經營租賃轉租。

於初步確認時,投資物業乃按成本(包括任何直接應佔開支)計量。於初步確認後,投資物業按成本減其後累計折舊及任何累計減值虧損列賬。投資物業按其估計可使用年期,經考慮其估計殘值後確認折舊,並按直線法撇銷其成本。

投資物業之折舊就其估計可使用年期使用直線法計提撥備,以撇銷其成本。主要可使用年期如下:

樓宇	30年
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存貨

存貨按成本與可變現淨值兩者之較低者列賬。成本以加權平均基準計算。製成品及在製品之成本包括原材料、直接勞工及所有生產經常性開支之適當部分以及(如適用)承包費。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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4. MATERIAL ACCOUNTING POLICIES

(Continued)

Impairment of property, plant and equipment, investment property and right-of-use assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, investment property and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating units (the "CGU") to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

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

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimated of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4. 重要會計政策(續)

物業、廠房及設備、投資物業以及使用權資產的減值

於各報告期末，本集團會檢討物業、廠房及設備、投資物業以及使用權資產的賬面值以釐定是否有跡象顯示該等資產已經出現減值虧損。倘資產出現任何減值跡象，則會估計相關資產的可收回金額，以釐定減值虧損程度(如有)。

倘不能估計個別資產的可收回金額，則本集團會估計其資產所屬現金產生單位(「現金產生單位」)之可收回金額。於可識別合理及一致分配基準的情況下，企業資產亦會被分配至個別現金產生單位，或會被分配至可合理地及按一致分配基準識別的最小組別的現金產生單位。

可收回金額乃公平值減出售成本與使用價值兩者之較高者。評估使用價值時，採用除稅前貼現率將估計未來現金流量貼現至現值，該貼現率反映市場當時所評估的貨幣時間值及該資產的獨有風險(其估計未來現金流量並未被調整)。

倘資產(或現金產生單位)的可收回金額估計低於其賬面值，則該資產(或現金產生單位)賬面值會下調至其可收回金額。於分配減值虧損時，首先分配減值虧損以減少任何商譽的賬面值(如適用)，然後按比例根據該單位各資產的賬面值分配至其他資產。資產賬面值不得減少至低於其公平值減出售成本(如可計量)、其使用價值(如可釐定)及零之中的最高值。已另行分配至資產之減值虧損數額按比例分配至該單位其他資產。減值虧損會即時於損益確認。

倘減值虧損於其後撥回，資產(或現金產生單位)賬面值將調升至其經修訂的估計可收回金額，而增加後的賬面值不得超過倘該資產(或現金產生單位)於過往年度並無確認減值虧損時原應釐定的賬面值。減值虧損的撥回即時於損益確認。

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4. MATERIAL ACCOUNTING POLICIES

(Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable and deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of the other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

4. 重要會計政策(續)

稅項

所得稅開支指應付即期稅項及遞延稅項的總和。

應付即期稅項乃按年內應課稅溢利計算。由於應課稅溢利不包括其他年度應課稅或可扣稅收入或開支項目，且不包括非應課稅及可扣稅的項目，故與綜合損益及其他全面收益表所呈報的溢利有所不同。本集團的即期稅項負債乃按報告期末已頒佈或實際上已頒佈的稅率計算。

遞延稅項乃綜合財務報表內資產及負債賬面值與計算應課稅溢利所用的相應稅基的暫時差額予以確認。遞延稅項負債一般會就所有應課稅暫時差額確認，而遞延稅項資產乃於可能出現應課稅溢利，以致出現可扣稅暫時差額時確認，而遞延稅項資產乃於可能出現應課稅溢利，以致可扣稅暫時差額可予動用時確認。若於一項交易中，因商譽或初步確認(業務合併時除外)其他資產及負債而引致的暫時差額不影響應課稅溢利或會計溢利，則不會確認該等資產及負債。

遞延稅項負債乃就於附屬公司的投資所產生的應課稅暫時差額確認，惟倘本集團能夠控制暫時差額的撥回將不會於可見將來撥回則作別論。與該等投資及權益相關的可扣稅暫時性差額所產生的遞延稅項資產，僅於很可能有足夠應課稅溢利可以使用暫時性差額的利益且預計於可見將來可以撥回時確認。

遞延稅項資產的賬面值於各報告期末作檢討，並於不再可能有足夠應課稅溢利收回全部或部分資產時作調減。

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4. MATERIAL ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised when the group entity becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

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

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

4. 重要會計政策(續)

稅項(續)

遞延稅項資產及負債乃按預期於償還負債或變現資產期間適用之稅率計算。所根據之稅率(及稅法)乃於報告期結束前已頒佈或實質上已頒佈。

遞延稅項負債及資產之計量反映本集團於報告期末,預期將要收回或結算其資產及負債之賬面值之方式所引致之稅務後果。

當期及遞延稅項於損益中確認。

金融工具

當集團實體成為工具合約條文之訂約方時,乃確認金融資產及金融負債。

實際利率法

實際利率法為計算於相關期間金融資產或金融負債攤銷成本及分配利息收入及利息開支之方法。實際利率指於金融資產或金融負債預計使用期內或較短年期(如適用)之估計未來現金付款(包括構成實際利率、交易成本及其他溢價或折讓的不可分割部份之所有已付或已收費用及點數)實際折讓至初步確認時的賬面淨值之利率。

金融資產

金融資產的分類及後續計量

倘符合下列條件,金融資產其後按攤銷成本計量:

- 於目的為收取合約現金流量之業務模式內持有之金融資產;及
- 合約條款規定特定日期產生之現金流量僅用作支付本金及尚未償還本金利息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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4. MATERIAL ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (“FVTOCI”):

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

All other financial assets are subsequently measured at fair value through profit or loss (“FVTPL”), except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 “Business Combinations” applies.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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

4. 重要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及後續計量(續)

符合以下條件的金融資產其後按公平值於其他全面收益列賬(「按公平值於其他全面收益列賬」)計量:

- 目的為出售及收取合約現金流量而於業務模式內持有金融資產;及
- 合約條款導致於特定日期產生的現金流量純粹用作支付本金及未償還本金利息。

所有其他金融資產其後按公平值於損益列賬計量,惟倘一項股本投資既非持作買賣,亦非香港財務報告準則第3號「業務合併」所適用之業務合併收購方確認的或然代價,於初始確認金融資產當日,本集團可作出不可撤回地選擇將該股本投資的其後公平值變動計入其他全面收益。

倘出現下列情況,金融資產被歸類為持作買賣:

- 購入金融資產主要是為於短期內出售;或
- 於初步確認時,其構成本集團合併管理之金融工具之確定組合之一部份及具有最近實際短期獲利模式;或
- 為未被指定及可有效作為對沖工具之衍生工具。

此外,本集團可不可撤回地將一項須按攤銷成本之金融資產按公平值於損益列賬計量,前提為有關指定可消除或大幅減少會計錯配。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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4. MATERIAL ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Amortised cost and interest income

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

Financial assets at FVTPL

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

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

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit losses ("ECL") model on financial assets which are subject to impairment assessment under HKFRS 9 (including trade receivables, bill receivables, deposit and other receivables, and cash and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

4. 重要會計政策(續)

金融工具(續)

金融資產(續)

攤銷成本及利息收入

利息收入乃就其後按攤銷成本計量之金融資產使用實際利率法確認。利息收入以金融資產總賬面值按實際利率計算，惟其後出現信貸減值之金融資產除外(見下文)。就其後出現信貸減值之金融資產而言，利息收入通過對自下一個報告期起之金融資產攤銷成本應用實際利率確認。倘信貸減值金融工具之信貸風險改善，以致金融資產不再出現信貸減值，則利息收入通過對於釐定資產不再出現信貸減值後自報告期初起之金融資產總賬面值應用實際利率確認。

按公平值於損益列賬的金融資產

不符合按攤銷成本計量或按公平值於其他全面收益列賬或指定為按公平值於其他全面收益列賬的金融資產乃按公平值於損益列賬計量。

按公平值於損益列賬的金融資產按各報告期末的公平值計量，任何公平值收益或虧損於損益中確認。於損益確認之收益或虧損淨額不包括從金融資產賺取之任何股息或利息，並計入「其他收益」項目內。

須根據香港財務報告準則第9號進行減值評估之金融資產減值

本集團根據香港財務報告準則第9號就待進行減值評估之金融資產(包括應收貿易款項、應收票據、按金及其他應收款項以及現金及銀行結餘)按預期信貸虧損(「預期信貸虧損」)模式進行減值評估。預期信貸虧損之金額於各報告日期更新，以反映信貸風險自初步確認以來之變化。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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4. MATERIAL ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting period. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables without significant financial component. The ECL on these assets are assessed individually for debtors with significant balances and collectively using a provision matrix with appropriate groupings.

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

Significant increase in credit risk

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

4. 重要會計政策(續)

金融工具(續)

金融資產(續)

須根據香港財務報告準則第9號進行減值評估之金融資產減值(續)

全期預期信貸虧損指將相關工具之預期使用期內所有可能之違約事件產生之預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指將預期於報告期後12個月內可能發生之違約事件導致之全期預期信貸虧損部分。評估乃根據本集團之歷史信貸虧損經驗進行，並根據債務人特有之因素、一般經濟狀況以及對報告日期當前狀況之評估以及對未來狀況之預測作出調整。

本集團一直就並無重大融資組成部分的貿易應收款項確認全期預期信貸虧損。就具有重大結餘的應收賬款個別及使用適當組別的撥備矩陣集體評估該等資產的預期信貸虧損。

就所有其他工具而言，本集團計量之虧損撥備相等於12個月預期信貸虧損，除非信貸風險自初步確認以來顯著增加，在此情況下，本集團確認全期預期信貸虧損。應否確認全期預期信貸虧損乃基於自初步確認以來發生違約之可能性或風險有否顯著增加而作出評估。

信貸風險顯著增加

於評估信貸風險自初步確認以來是否顯著增加時，本集團將於報告期金融工具發生之違約風險與初步確認日期金融工具發生之違約風險進行比較。在進行該評估時，本集團會考慮合理且可支持之定量及定性資料，包括毋須付出不必要之成本或精力而可得之過往經驗及前瞻性資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

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4. MATERIAL ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

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

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

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

4. 重要會計政策(續)

金融工具(續)

金融資產(續)

信貸風險顯著增加(續)

具體而言，評估信貸風險是否顯著增加時會考慮以下資料：

- 金融工具之外部(如有)或內部信貸評級之實際或預期顯著惡化；
- 外部市場信貸風險指標之顯著惡化，如債務人的信貸息差、信用違約掉期價格顯著上升；
- 預計會導致債務人償還其債務能力大幅下降之業務、財務或經濟狀況之現有或預測之不利變化；
- 債務人經營業績之實際或預期顯著惡化；
- 導致債務人償還其債務能力大幅下降之債務人監管、經濟或技術環境之實際或預期之重大不利變化。

不論上述評估之結果如何，本集團認為，當合約付款逾期超過30天，則信貸風險自初步確認以來已顯著增加，除非本集團有合理且可支持之資料證明信貸風險並無增加。

本集團定期監察用以確定信貸風險曾否大幅增加的標準的成效，並適時作出修訂，從而確保有關標準能夠於款項逾期前確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

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4. MATERIAL ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

4. 重要會計政策(續)

金融工具(續)

金融資產(續)

違約的定義

就內部信貸風險管理而言，本集團認為，倘內部生成或自外部來源獲得的資料顯示債務人不太可能向其債權人（包括本集團）悉數付款，則發生違約事件。

不論上述情況如何，本集團認為，倘金融資產逾期90天以上，則已發生違約，除非本集團有合理有據的資料證明更滯後的違約標準更為合適則另作別論。

信貸減值金融資產

當發生一項或多項對金融資產的估計未來現金流量產生不利影響的違約事件時，金融資產出現信貸減值。金融資產出現信貸減值的證據包括有關下列事件的可觀察數據：

- (a) 發行人或借款人遇到嚴重財政困難；
- (b) 違反合約，如拖欠或逾期還款事件；
- (c) 借款人的放款人因與借款人遇到財政困難有關的經濟或合約理由而給予借款人於一般情況下放款人不會考慮的優惠條件；
- (d) 借款人很可能面臨破產或進行其他財務重組；或
- (e) 因財政困難而令金融資產的活躍市場消失。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 180 days past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For collective assessment the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

4. 重要會計政策(續)

金融工具(續)

金融資產(續)

撇銷政策

本集團於有資料顯示對手方遇到嚴重財政困難，且實際上不可能收回款項時（如對手方處於清盤階段或已進入破產法律程序時），或（就應收貿易款項而言）金額逾期180天以上時（以較早發生者為準）撇銷金融資產。經考慮法律意見（如適當）後，已撇銷金融資產仍可根據本集團的收回程序實施強制執行。撇銷構成終止確認事件。任何其後收回款項於損益內確認。

預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約損失率（即違約時之損失程度）及違約風險暴露之函數。評估違約概率及違約損失率乃依據歷史數據及前瞻性資料。預期信貸虧損之估計反映無偏頗及概率加權之數額，其乃根據加權之相應違約風險而確定。

一般而言，預期信貸虧損為根據合約應付本集團之所有合約現金流量與本集團預計收取之現金流量（按初步確認時釐定之實際利率貼現）間之差額。

為進行集體評估，本集團於制定分組時已考慮以下特徵：

- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級（如有）。

管理層定期檢討分組工作，以確保各組別組成部分繼續存在類似信貸風險特性。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

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4. MATERIAL ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial assets (Continued)

Measurement and recognition of ECL (Continued)

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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

Financial liabilities and equity

Classification as liabilities or equity

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

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

4. 重要會計政策(續)

金融工具(續)

金融資產(續)

預期信貸虧損之計量及確認(續)

利息收入按金融資產的賬面總值計算，倘金融資產出現信貸減值，則利息收入按金融資產的攤銷成本計算。

本集團於損益中確認所有金融工具的減值收益或虧損，方式為調整相關賬面值，惟貿易及其他應收款項除外，其相應調整透過虧損撥備賬確認。

終止確認金融資產

倘從資產收取現金流量之合約權利已到期，或金融資產已轉讓且本集團已將其於金融資產擁有權之絕大部份風險及回報轉移至另一實體，則金融資產將被終止確認。

於終止確認按攤銷成本計量的金融資產時，資產的賬面值與已收及應收代價總和之間的差額於損益確認。

金融負債及權益

分類為負債或權益

集團實體發行的金融負債及股本工具乃根據合約安排內容及就金融負債及股本工具之定義分類為金融負債或權益。

股本工具

股本工具乃任何證明實體經扣減所有負債後之資產剩餘權益的合約。由本公司發行的股本工具乃按扣除直接發行成本後的已收所得款項確認。

按攤銷成本計量之金融負債

金融負債(包括銀行借款、應付貿易款項、應計費用及其他應付款項)其後使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

截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICIES

(Continued)

Foreign currencies

i. Functional and presentation currency

Items included in the financial statements of each of the companies now comprising the Group are measured using the currency of the primary economic environment in which the company operates (the “functional currency”). The consolidated financial statements are presented in RMB, which is the Company’s presentation currency and the functional currency of the principal operating subsidiary of the Group. The functional currency of the Company is HKD. The directors consider that choosing Renminbi as the presentation currency best suits the needs of the shareholders and investors.

ii. Transactions and balances

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

Translation differences on non-monetary financial assets and liabilities are reported as part of their fair value gain or loss.

iii. Group companies

The results and financial positions of all the companies now comprising the Group (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:

- (a) Assets and liabilities are translated at the closing rate;
- (b) Income and expenses are translated at average exchange rates; and
- (c) All resulting exchange differences are recognised as a separate component of equity.

4. 重要會計政策(續)

外幣

i. 功能及呈列貨幣

現時組成本集團各公司之財務報表所含項目乃按公司經營之主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以人民幣呈列，為本公司之呈列貨幣以及本集團主要經營附屬公司之功能貨幣。本公司的功能貨幣是港元。董事認為，選擇人民幣作為呈列貨幣乃最為符合股東及投資者的需求。

ii. 交易及結餘

外幣交易以交易日期現行匯率換算為功能貨幣。來自償付該等交易及按年末匯率換算以外幣計值之貨幣資產及負債之外匯收益及虧損於綜合損益及其他全面收益表確認。

非貨幣金融資產及負債之換算差額按部分公平值收益或虧損入賬。

iii. 集團公司

功能貨幣與呈列貨幣不同之現時組成本集團所有公司(當中並無嚴重通脹經濟地區之貨幣)之業績及財務狀況乃按下列方式換算為呈列貨幣：

- (a) 資產及負債按收市匯率換算；
- (b) 收入及開支按平均匯率換算；及
- (c) 所有因此而產生之匯兌差額確認為獨立權益部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

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4. MATERIAL ACCOUNTING POLICIES

(Continued)

Foreign currencies (Continued)

iii. Group companies (Continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to owners' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the consolidated statement of profit or loss and other comprehensive income as part of the gain or loss on sale.

Exchange differences relating to the retranslation of the Group's net assets in HKD to the Group's presentation currency (i.e. RMB) are recognised directly in other comprehensive income and accumulated in foreign currency translation reserve. Such exchange differences accumulated in the foreign currency translation reserve are not reclassified to profit or loss subsequently.

Cash and cash equivalents

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

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

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

4. 重要會計政策(續)

外幣(續)

iii. 集團公司(續)

於綜合賬目時，換算海外業務投資淨值以及借款及指定為對沖該等投資之其他貨幣工具產生之匯兌差額納入擁有人權益。出售海外業務時，於權益記錄的匯兌差額於綜合損益及其他全面收益表確認為出售之部分收益或虧損。

有關本集團以港元計值的資產淨值重新換算為本集團呈列貨幣(即人民幣)的匯兌差額於其他全面收益直接確認，並於外幣換算儲備累計。該等於外幣換算儲備累計的匯兌差額隨後不會重新分類至損益。

現金及現金等值物

綜合財務狀況報表呈列的現金及現金等值物包括：

- (a) 現金，其包括手頭現金及活期存款，不包括受監管限制而導致有關結餘不再符合現金定義的銀行結餘；及
- (b) 現金等值物，其包括短期(通常原到期日為三個月或更短)、可隨時轉換為已知數額現金且價值變動風險不大的高流動性投資。現金等值物持作滿足短期現金承擔，而非用於投資或其他目的。

就綜合現金流量表而言，現金及現金等值物包括上文所界定之現金及現金等值物，扣除須按要求償還及構成本集團現金管理的一部分之未償還銀行透支。有關透支於綜合財務狀況表內呈列為短期借款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

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4. MATERIAL ACCOUNTING POLICIES (Continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Employee benefits

(i) Employee leave entitlements

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

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

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

4. 重要會計政策(續)

撥備

倘本集團因過往事件負上現有責任(法律或推定)而可能需要本集團支付負債,及能就負債金額作出可靠估計時,則會就負債確認撥備。

作為撥備確認之金額乃對於報告期末償付現有負債所需代價之最佳估計,並經考慮負債相關之風險及不確定因素。倘使用估計償付現有負債之現金流量計量撥備,則其賬面值即為該等現金流量之現值(倘貨幣之時間價值影響重大)。

當預期用作償付撥備所需部分或全部經濟利益可從第三方收回,如可實際確認可以收回且應收款項之金額能可靠計量,則應收款項確認為資產。

僱員福利

(i) 僱員應享假期

僱員的年假及長期服務假於僱員應享有時予以確認。截至報告期末止,因僱員所提供的服務而產生的年假及長期服務假的估計負債已計提撥備。

僱員的病假及產假於僱員休假時方會確認。

(ii) 養老金責任

本集團為所有僱員提供定額供款退休計劃。本集團及僱員對計劃的供款乃按僱員的基本薪金的百分比計算。自損益內扣除的退休福利計劃成本乃指本集團應付該等基金的供款。

(iii) 終止僱用福利

終止僱用福利僅於本集團具備正式而詳細且不可撤回方案的情況下,明確顯示終止聘用或因採取自願離職措施而提供福利時,方予確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICIES

(Continued)

Share-based payment arrangements

Equity-settled share-based payment transactions

Share options granted to employees and others

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 41 to the consolidated financial statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits/accumulated losses. For share options that vest immediately at the date of grant, the fair value of the share options granted is recognised immediately to profit or loss.

Borrowing costs

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

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

4. 重要會計政策(續)

以股份為基礎支付的安排

以權益結算並以股份為基礎支付的交易

授予僱員及其他的購股權

以權益結算並以股份為基礎支付予員工的款項及其他提供的類似服務按授出日期股本工具的公平值計量。有關釐定以權益結算並以股份為基礎支付的交易的公平值的詳情載於綜合財務報表附註41。

於以權益結算並以股份為基礎支付的授出日期釐定的公平值，基於本集團預計將最終歸屬的股本工具按直線法於歸屬期內支銷，而權益亦相應增加。於各報告期末，本集團修訂其對預期歸屬的股本工具數目的估計。修訂原有估計的影響(如有)於損益內確認，以使累計開支能反映經修訂估計，購股權亦作出相應調整。

於行使購股權之時，先前於購股權儲備確認的金額將轉撥至股份溢價。當購股權於歸屬日後失效或於屆滿日期仍未獲行使，先前在購股權儲備確認的款項將繼續轉撥至保留溢利/累計虧損。就於授出日期即時歸屬的購股權而言，獲授購股權的公平值即時於損益確認。

借款成本

所有借款成本於產生期間在損益內確認。

分部報告

經營分部及綜合財務報表所呈報各分部項目的金額，乃從為向本集團各項業務及地理位置分配資源及評估其表現而定期向本集團最高行政管理層提供的財務資料中識別。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICIES

(Continued)

Segment reporting (Continued)

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type of class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Related parties

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

- (1) A person or entity is preparing the financial statements of the Group;
- (2) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.
- (3) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

4. 重要會計政策(續)

分部報告(續)

個別重大經營分部不會合計以供財務報告之用，惟倘該等分部的產品及服務性質、生產工序性質、客戶階層類別、分銷產品或提供服務的方法以及監管環境的性質等經濟特性均屬類似，則作別論。個別不重大經營分部倘符合以上大部分條件，則可予以合計。

關連方

任何一方如屬以下情況，即視為本集團的關連方：

- (1) 有關人士或實體編製本集團的財務報表；
- (2) 下列人士或其家族與本集團有關連之近親：
 - (i) 其控制或共同控制本集團；
 - (ii) 其對本集團有重大影響力；或
 - (iii) 其為本集團或本集團母公司的主要管理層人員的成員。
- (3) 在下列任何情況下，一間實體被視為與本集團有關連：
 - (i) 實體與本集團為同一集團成員，即母公司、附屬公司及同系附屬公司各自彼此相互關連。
 - (ii) 某一實體為另一實體之聯營公司或合營公司，或為另一實體所屬集團成員之聯營公司或合營公司。
 - (iii) 實體均為同一第三方之合營公司。
 - (iv) 實體為第三方實體之合營公司，而另一實體為第三方實體之聯營公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

4. MATERIAL ACCOUNTING POLICIES

(Continued)

Related parties (Continued)

- (3) An entity is related to the Group if any of the following conditions applies: (Continued)
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (2).
 - (vii) A person identified in (2)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which is a part, provides key management personnel services to the Group or the Group's parent.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of the Group's material accounting policies which are described in note 4, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. 重要會計政策(續)

關連方(續)

- (3) 在下列任何情況下，一間實體被視為與本集團有關連：(續)
- (v) 實體乃為本集團或與本集團有關之實體的僱員福利所設離職後福利計劃。倘本集團本身設有計劃，則僱主亦與本集團有關連。
 - (vi) 實體受(2)所界定人士控制或共同控制。
 - (vii) (2)(i)所界定人士對實體擁有重大影響力或為實體或該實體母公司之主要管理層人員。
 - (viii) 該實體，或所屬集團之任何成員，向本集團或本集團之母公司提供主要管理層服務。

倘關連方之間轉移資源或責任，則該交易被視為關連方交易。

5. 主要會計估計及判斷

於應用本集團之重要會計政策(其於附註4內闡述)時，本公司之董事須作出有關未能從其他來源輕易獲得之資產及負債賬面值之判斷、估計及假設。估計及相關假設乃基於過往經驗及被認為有關之其他因素。實際結果可能不同於該等估計。

估計及相關假設乃按持續經營基準予以檢討。倘會計估計之修訂僅影響估計獲修訂之期間，則會計估計之修訂於該期間予以確認，倘若修訂影響現時及未來期間，則會計估計之修訂於現時及未來期間內予以確認。

下列為有關未來之主要假設及於報告期末時估計不確定因素之其他主要來源(其擁有導致下一個財政年度之資產及負債之賬面值出現大幅調整之重大風險)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Allowance for expect credit losses of trade and other receivables

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement at amortised cost 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. Details of the key assumptions and inputs used together with the carrying amount of expected credit loss as at 31 December 2023 are disclosed in note 6.

Impairment of property, plant and equipment, investment property and right-of-use assets

Property, plant and equipment, investment property and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate, changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

As at 31 December 2023, the carrying amounts of property, plant and equipment, investment property and right-of-use assets are approximately RMB19,010,000, approximately RMB3,777,000 and approximately RMB6,323,000 respectively, no impairment losses were recognised during the year ended 31 December 2023. Details of the property, plant and equipment, investment property and right-of-use assets are disclosed in notes 18, 19 and 20 respectively.

5. 主要會計估計及判斷(續)

應收貿易及其他款項預期信貸虧損撥備

金融資產之虧損撥備乃根據違約風險及預期虧損率之假設釐定。本集團於作出該等假設及選擇減值計算輸入值時，根據本集團之過往歷史、現行市況及於各報告期末之前瞻性估計按攤銷成本作出判斷。主要假設及所使用的輸入數據詳情連同於二零二三年十二月三十一日的預期信貸虧損賬面值披露於附註6。

物業、廠房及設備、投資物業以及使用權資產減值

物業、廠房及設備、投資物業以及使用權資產按成本減累計折舊及減值(如有)列賬。釐定資產是否減值時，本集團須行使判斷及作出估計，特別是評估(1)是否發生事件或有任何跡象而可能影響資產價值；(2)資產的賬面值是否有可回收金額(倘為使用價值，則未來現金流量的現值淨額，基於資產的持續使用而估計)作支持；及(3)於估計可收回金額(包括現金流量預測)及適當的貼現率時應用的適當主要假設。更改假設及估計(包括折現率或現金流量預測中的增長率)可能會嚴重影響減值測試中使用的淨現值。

截至二零二三年十二月三十一日，物業、廠房及設備、投資物業以及使用權資產的賬面值分別為約人民幣19,010,000元、約人民幣3,777,000元及約人民幣6,323,000元，截至二零二三年十二月三十一日止年度未確認減值虧損。物業、廠房及設備、投資物業以及使用權資產的詳情分別於附註18、19及20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

截至二零二三年十二月三十一日止年度

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Write down of inventories

The Group write down the inventories based on an assessment of the net realisable value of inventories. Write down are applied to inventories where events or changes in circumstances indicate that the net realisable value is lower than the cost of inventories. The identification of slow-moving stock and obsolete inventories requires the use of judgement and estimates on the conditions and usefulness of the inventories.

Impairment of interests in associates

The management of the Group carries out review on impairment on the interests in associates whenever events or changes in circumstances indicate that its carrying amount may not be recoverable by comparing its recoverable amount (higher of the value in use and fair value less cost of disposal) with its carrying amount.

In determining whether the interests in associates is impaired, it requires an estimation of its recoverable amount, which represents higher of the value in use and fair value less cost of disposal (market value). For the value in use, it requires the Group to estimate the future cash flows expected to arise from the operations of the investment and from the ultimate disposal, and a discount rate in order to calculate the present value. Where the recoverable amount of the Group's interest in an associate is less than the carrying amount, an impairment loss may arise.

During the year ended 31 December 2023, the management concluded that there was impairment loss on interests in an associates of approximately RMB2,358,000 as the recoverable amount of the interest in associates was lower than the carrying amount.

5. 主要會計估計及判斷(續)

存貨撇減

本集團根據對存貨可變現淨值的評估撇減存貨，倘有事件或情況變動顯示存貨可變現淨值低於成本，則須對存貨進行撇減。認定滯銷及陳舊存貨須對存貨狀況及是否可用進行判斷和估計。

於聯營公司權益之減值

倘發生事件或情況變動顯示其賬面值可能無法收回時，本集團管理層就於聯營公司之權益進行減值檢討，方法為將其可收回金額（使用價值與公平值減出售成本之較高者）與其賬面值作比較。

釐定聯營公司之權益是否出現減值，此需要估計其可收回金額（即使用價值與公平值減出售成本之較高者（市價））。就使用價值而言，其需要本集團對預期將從該投資之營運及最終出售產生之未來現金流量以及貼現率作出估計以計算現值。倘本集團於一間聯營公司權益之可收回金額低於賬面值，則可能會出現減值虧損。

於截至二零二三年十二月三十一日止年度，管理層認為，由於一間聯營公司之權益之可收回金額低於賬面值，因此於一間聯營公司之權益減值虧損約為人民幣2,358,000元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Financial assets:	金融資產：
Financial assets at fair value through profit or loss	按公平值於損益列賬的金融資產
Financial assets at amortised cost	按攤銷成本計量的金融資產
Financial liabilities:	金融負債：
Amortised cost	攤銷成本

(b) Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and fair value interest rate risks and price risk), credit risk and liquidity 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.

Management regularly manages the financial risks of the Group. Because of the simplicity of the financial structure and the current operations of the Group, no major hedging activities are undertaken by management.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

6. 金融工具

(a) 金融工具分類

2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
27,368	19,319
119,885	207,951
68,027	93,716

(b) 財務風險管理目標及政策

本集團業務活動令其面臨多項財務風險：市場風險（包括外幣風險及公平值利率風險及價格風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃專注於金融市場的不可預測性及尋求降低本集團財務表現的潛在不利影響。

管理層定期管理本集團之財務風險。由於本集團之財務架構及現時營運並不複雜，管理層並無進行重大對沖活動。

本集團就金融工具承擔的風險類別或其管理與計量有關風險的方式並無任何改變。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk

Foreign currency risk

- (i) Exposure to foreign currency risk

The Group mainly operates in the People's Republic of China (the "PRC") and Hong Kong and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi ("RMB"), Hong Kong dollars ("HKD") and United States dollars ("USD"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The management do not expect the net foreign currency risk from these activities to be significant and hence, the Group and the Company do not presently hedge the foreign exchange risks. The Group and the Company periodically review liquid assets and liabilities held in currencies other than the functional currencies of the respective subsidiaries to evaluate its foreign exchange risk exposure and will consider hedging significant foreign currency exposure should the need arise.

- (ii) Sensitivity analysis

At 31 December 2023 and 2022, the Group had minimal exposure to foreign currency risk with respect to HKD as it is the functional currencies of the respective subsidiaries in which their business transactions, assets and liabilities are denominated. Thus, no sensitivity analysis of HKD is presented.

At 31 December 2023, if USD had strengthened/weakened by 5% (2022: 5%) against RMB with all other variables held constant, the Group's profit for the year and total equity would have been approximately RMB455,000 (2022: loss of RMB499,000) higher/lower, mainly as a result of foreign exchange gains/losses on USD-denominated monetary assets and monetary liabilities.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險

外幣風險

- (i) 承受外幣風險

本集團主要於中華人民共和國(「中國」)及香港經營其業務，並須承受不同外幣產生的外匯風險，主要為與人民幣(「人民幣」)、港元(「港元」)及美元(「美元」)有關的風險。外匯風險來自海外業務的未來商業交易、已確認資產及負債以及投資淨額。管理層預期該等活動並不涉及重大外匯風險淨額，因此，本集團及本公司現時並無對沖外匯風險。本集團及本公司定期審閱附屬公司各自以功能貨幣以外貨幣為單位的流動資產及負債，以評估其外匯風險，並將於必要時考慮對沖重大外幣風險。

- (ii) 敏感度分析

於二零二三年及二零二二年十二月三十一日，本集團與港元有關的外幣風險甚微，此乃由於港元為各附屬公司的功能貨幣，其業務交易、資產及負債均以港元計值。因此，並未呈列港元的敏感度分析。

於二零二三年十二月三十一日，倘美元兌人民幣升值/貶值5% (二零二二年：5%) 而所有其他變數維持不變，則本集團的年度溢利及權益總額將增加/減少約人民幣455,000元 (二零二二年：虧損人民幣499,000元)，乃主要由於以美元計值的貨幣資產及貨幣負債的外匯收益/虧損所致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk

- (i) Exposure to interest rate risk

The Group's exposure to the risk of changes in market interest rate relates primarily to its interest-bearing bank borrowings. Interest-bearing bank borrowings at floating rates expose the Group to interest rate risk.

The Group has not used any interest rate swaps to hedge its exposure to interest rate risk. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

- (ii) Sensitivity analysis

At 31 December 2023, if interest rates at the date had been 100 basis points higher/lower with all other variables held constant, the Group's profit for the year would increase/decrease by RMB250,000 (2022: loss of RMB250,000). This is mainly attributable to the Group's exposure as result of increase/decrease in interest expense on bank borrowings net off with interest income from bank deposits.

Other price risk

- (i) Exposure to other price risk

The Group is exposed to equity price risk mainly through its investment. The Group currently does not have a hedging policy in respect of the risk exposure. In addition, the management of the Group would monitor the price risk and will consider hedging the risk exposure should the need arise.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

利率風險

- (i) 承受利率風險

本集團所面對的市場利率變動風險，主要與本集團的計息銀行借款有關。按浮動利率計息的銀行借款使本集團面對利率風險。

本集團並無使用任何利率掉期對沖利率風險。然而，管理層監控利率風險，並於必要時考慮對沖重大利率風險。

- (ii) 敏感度分析

於二零二三年十二月三十一日，倘於該日之利率上升/下跌100個基點而所有其他變數維持不變，則本集團之年度溢利將上升/下降人民幣250,000元(二零二二年：虧損人民幣250,000元)，乃主要由於銀行借款之利息支出抵銷銀行存款利息收入後之金額增加/減少產生之本集團風險所致。

其他價格風險

- (i) 承受其他價格風險

本集團主要透過其投資而面對股權價格風險。本集團現時並無有關風險之對沖政策。此外，本集團管理層會監察價格風險及於有需要時考慮對沖有關風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Other price risk (Continued)

(ii) Sensitivity analysis

The sensitivity analysis has been determined based on the exposure to price risk of financial assets at fair value through profit or loss at the end of the reporting period. If the prices of the financial assets at FVTPL (listed securities) had been 10% higher/lower, profit/loss would increase/decrease by approximately RMB2,737,000 (2022: RMB1,932,000).

Credit risk and impairment assessment

The carrying amount of the bank balances, trade, bills and other receivables included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9, which permits the use of lifetime ECL provision for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics. The Group has performed historical analysis and identified the key economic variables impacting credit risk and ECL. It also considers available reasonable and supportive forward-looking information.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

其他價格風險(續)

(ii) 敏感度分析

敏感度分析乃按報告期末所面對之按公平值於損益列賬的金融資產之價格風險釐定。倘按公平值於損益列賬的金融資產(上市證券)之價格上升/下跌10%，則溢利/虧損將增加/減少約人民幣2,737,000元(二零二二年：人民幣1,932,000元)。

信貸風險及減值評估

計入綜合財務狀況表的銀行結餘、應收貿易、票據及其他款項的賬面值指與本集團的金融資產有關的最高信貸風險。

本集團應用簡化方法就香港財務報告準則第9號訂明之預期信貸虧損計提撥備，該準則允許就所有應收貿易款項採用全期預期信貸虧損撥備。為計量預期信貸虧損，應收貿易款項已基於共同信貸風險特徵進行分組。本集團已執行歷史分析並識別出影響各種組合的信貸風險及預期信貸虧損的主要經濟變量。本集團亦考慮可用的合理有據之前瞻性資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has certain exposure to credit risk as the trade receivables from the five largest customers as at 31 December 2023 represented 66% (2022: 81%) of total trade receivables, while 36% (2022: 45%) of the total trade receivables were due from the largest single customer. It has policies in place to ensure that sales are made to customers with an appropriate credit history.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

為盡量降低信貸風險，本集團管理層已指定團隊負責決定信貸額度、信貸批核及其他監察程序，確保採取跟進措施以收回逾期債項。此外，本集團於各報告期末審閱各個別貿易債項的可收回金額，確保為不可收回金額作出足夠的減值虧損。就此而言，本公司董事認為本集團的信貸風險已大幅降低。

本集團面臨若干信貸風險，因於二零二三年十二月三十一日應收五大客戶的貿易款項佔應收貿易款項總額的66%（二零二二年：81%），而應收最大單一客戶的貿易款項佔應收貿易款項總額的36%（二零二二年：45%）。其已實施政策以確保銷售對象為具有合理信貸記錄的客戶。

		0 to 90 days 0至90日內	91 to 180 days 91至180日	181 days to 365 days 181日至365日	Over 365 days 365日以上	Total 總計
At 31 December 2023 於二零二三年十二月三十一日						
ECL rate	預期信貸虧損率	0.2%	0.02%	34.7%	100%	15.8%
Gross carrying amount (RMB'000)	賬面總值(人民幣千元)	55,727	5,230	14,234	8,079	83,270
Lifetime ECL (RMB'000)	全期預期信貸虧損 (人民幣千元)	(93)	(1)	(4,943)	(8,079)	(13,116)
		55,634	5,229	9,291	-	70,154
At 31 December 2022 於二零二二年十二月三十一日						
ECL rate	預期信貸虧損率	0.7%	0.9%	64.6%	100%	23.7%
Gross carrying amount (RMB'000)	賬面總值(人民幣千元)	58,200	80,308	10,423	36,084	185,015
Lifetime ECL (RMB'000)	全期預期信貸虧損 (人民幣千元)	(391)	(710)	(6,734)	(36,084)	(43,919)
		57,809	79,598	3,689	-	141,096

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

As at 31 December 2023 and 2022, trade receivables that are individually significant have been separately assessed for impairment. The Group makes periodic assessments on the recoverability of the receivables based on the background and reputation of the customers, historical settlement records and past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information.

Other receivables

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

The movement of loss allowances for other receivables during the year are as follows:

At 1 January 2022	於二零二二年一月一日
Reversal of allowance for ECL	預期信貸虧損撥備撥回
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及 二零二三年一月一日
Reversal of allowance for ECL	預期信貸虧損撥備撥回
At 31 December 2023	於二零二三年十二月三十一日

Besides, the management is of opinion that there is no significant increase in credit risk on these other receivables since initial recognition as the risk of default is low and, thus, ECL recognised is based on 12m ECL.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

於二零二三年及二零二二年十二月三十一日，金額個別重大的應收貿易款項已單獨進行減值評估。本集團根據客戶背景及聲譽、過往結算記錄及過往經驗，以及定量及定性資料(合理有理據之前瞻性資料)對應收款項的可收回性作出定期評估。

其他應收款項

就其他應收款項而言，本公司董事基於過往結算記錄、過往經驗以及屬於合理有據的前瞻性資料的定性及定量資料對其他應收款項的可收回性進行定期個別評估。

年內其他應收款項的虧損撥備變動如下：

Other receivables 其他應收款項 RMB'000 人民幣千元

4,034
(2,670)

1,364
(1,094)

270

此外，管理層認為，由於違約風險較低，自初始確認以來其他應收款項的信貸風險並無顯著增加，因此，預期信貸虧損乃基於12個月預期信貸虧損予以確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Bank balances

The credit risk on bank balances is limited because the counterparties are international and state-owned banks with good reputation. Based on the loss rates, the ECL is considered to be insignificant and therefore no loss allowance was recognised.

The Group does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial assets.

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables below have been drawn up based on the contractual maturities of the undiscounted financial liabilities including interest that will accrue to those liabilities except where the Group are entitled and intends to repay the liability before its maturity.

The maturity analysis for other non-derivative financial liabilities is prepared based on the scheduled repayment dates.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

銀行結餘

由於交易對方為信譽良好的國際及國有銀行，故銀行結餘之信貸風險有限。基於虧損率，預期信貸虧損視為微小，因此並無確認虧損撥備。

本集團並無持有任何抵押品或其他信貸增強措施以為其金融資產相關之信貸風險提供保障。

流動資金風險

本集團政策為定期監控現有及預期流動資金需求，以確保其擁有充裕現金儲備應付短期及長期流動資金需求。本集團透過保持充足之儲備，持續對預測及實際現金流量進行監察，並配對金融資產及負債之到期情況，藉以管理流動資金風險。

下表詳細列明本集團非衍生金融負債的餘下合約到期情況。該表根據未貼現金融負債合約期限編製，包括該等負債的應計利息（本集團有權及有意在到期前清償者除外）。

其他非衍生金融負債之到期情況分析乃根據協定還款日期編製。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

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截至二零二三年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

At 31 December 2023

	Weighted average effective interest rate 加權平均實際利率 %	On demand or within 1 year 應要求或少於一年 RMB'000 人民幣千元	Over		Total undiscounted cash flow 未貼現現金流量總額 RMB'000 人民幣千元	Total carrying amount 賬面總值 RMB'000 人民幣千元
			1 year but less than 2 years 一年以上但少於兩年 RMB'000 人民幣千元	Over 2 years but less than 5 years 兩年以上但少於五年 RMB'000 人民幣千元		
Non-derivative financial liabilities 非衍生金融負債						
Trade payables 應付貿易款項	N/A 不適用	30,447	-	-	30,447	30,447
Accruals and other payables 應計費用及其他應付款項	N/A 不適用	12,580	-	-	12,580	12,580
Bank borrowings 銀行借款	4.35%	25,517	-	-	25,517	25,000
Lease liabilities 租賃負債	5.09%	2,075	1,384	1,458	4,917	4,572
		70,619	1,384	1,458	73,461	72,599

At 31 December 2022

	Weighted average effective interest rate 加權平均實際利率 %	On demand or within 1 year 應要求或少於一年 RMB'000 人民幣千元	Over		Total undiscounted cash flow 未貼現現金流量總額 RMB'000 人民幣千元	Total carrying amount 賬面總值 RMB'000 人民幣千元
			1 year but less than 2 years 一年以上但少於兩年 RMB'000 人民幣千元	Over 2 years but less than 5 years 兩年以上但少於五年 RMB'000 人民幣千元		
Non-derivative financial liabilities 非衍生金融負債						
Trade payables 應付貿易款項	N/A 不適用	50,596	-	-	50,596	50,596
Accruals and other payables 應計費用及其他應付款項	N/A 不適用	18,120	-	-	18,120	18,120
Bank borrowings 銀行借款	4.42%	25,521	-	-	25,521	25,000
Lease liabilities 租賃負債	5.03%	3,049	2,160	2,792	8,001	7,362
		97,286	2,160	2,792	102,238	101,078

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

於二零二三年十二月三十一日

	Weighted average effective interest rate 加權平均實際利率 %	On demand or within 1 year 應要求或少於一年 RMB'000 人民幣千元	Over		Total undiscounted cash flow 未貼現現金流量總額 RMB'000 人民幣千元	Total carrying amount 賬面總值 RMB'000 人民幣千元
			1 year but less than 2 years 一年以上但少於兩年 RMB'000 人民幣千元	Over 2 years but less than 5 years 兩年以上但少於五年 RMB'000 人民幣千元		
Non-derivative financial liabilities 非衍生金融負債						
Trade payables 應付貿易款項	N/A 不適用	30,447	-	-	30,447	30,447
Accruals and other payables 應計費用及其他應付款項	N/A 不適用	12,580	-	-	12,580	12,580
Bank borrowings 銀行借款	4.35%	25,517	-	-	25,517	25,000
Lease liabilities 租賃負債	5.09%	2,075	1,384	1,458	4,917	4,572
		70,619	1,384	1,458	73,461	72,599

於二零二二年十二月三十一日

	Weighted average effective interest rate 加權平均實際利率 %	On demand or within 1 year 應要求或少於一年 RMB'000 人民幣千元	Over		Total undiscounted cash flow 未貼現現金流量總額 RMB'000 人民幣千元	Total carrying amount 賬面總值 RMB'000 人民幣千元
			1 year but less than 2 years 一年以上但少於兩年 RMB'000 人民幣千元	Over 2 years but less than 5 years 兩年以上但少於五年 RMB'000 人民幣千元		
Non-derivative financial liabilities 非衍生金融負債						
Trade payables 應付貿易款項	N/A 不適用	50,596	-	-	50,596	50,596
Accruals and other payables 應計費用及其他應付款項	N/A 不適用	18,120	-	-	18,120	18,120
Bank borrowings 銀行借款	4.42%	25,521	-	-	25,521	25,000
Lease liabilities 租賃負債	5.03%	3,049	2,160	2,792	8,001	7,362
		97,286	2,160	2,792	102,238	101,078

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined as follows:

- (i) the fair value of financial assets and financial liabilities (including financial assets at fair value through profit or loss) with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices respectively;
- (ii) the fair value of financial assets at fair value through profit or loss are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instrument for non-optional derivatives;
- (iii) the fair value of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally pricing models based on discounted cash flow analysis.

At 31 December 2023

Financial assets

Financial assets at FVTPL

金融資產

按公平值於損益列賬的
金融資產

6. 金融工具(續)

(c) 金融工具之公平值

金融資產及金融負債之公平值乃按以下釐定：

- (i) 具有標準條款及條件及於活躍流動市場買賣的金融資產及金融負債(包括按公平值於損益列賬的金融資產)，乃分別參考所報市場買入價及賣出價釐定公平值；
- (ii) 按公平值於損益列賬的金融資產的公平值按所報價格計算。倘未能獲得有關價格，則按非期權衍生工具之年期使用適用孳息曲線釐定貼現現金流分析；
- (iii) 其他金融資產及金融負債的公平值(以上所述者除外)乃基於貼現現金流分析根據一般定價模式釐定。

於二零二三年十二月三十一日

Level 1	Level 2	Level 3	Total
級別一	級別二	級別三	合計
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
27,368	-	-	27,368

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023
截至二零二三年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value of financial instruments (Continued)

Fair value measurements recognised in the consolidated statement of financial position
(Continued)

At 31 December 2022

6. 金融工具(續)

(c) 金融工具之公平值(續)

於綜合財務狀況表確認之公平值計量
(續)

於二零二二年十二月三十一日

Financial assets	金融資產	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	按公平值於損益列賬的 金融資產	級別一 RMB'000 人民幣千元	級別二 RMB'000 人民幣千元	級別三 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
		19,319	-	-	19,319
Financial assets	金融資產	Fair value as at		Fair value	Basis of fair value
		於下列日期的公平值		公平值等級	公平值基準
		31/12/23	31/12/22		RMB'000
		二零二三年	二零二二年		人民幣千元
		十二月三十一日	十二月三十一日		
1) Financial assets at FVTPL	Listed equity securities RMB27,368,000	Listed equity securities RMB19,319,000	Listed equity securities RMB19,319,000	Level 1	Quoted bid price in an active market
1) 按公平值於損益列賬的金融資產	上市股本證券 人民幣27,368,000元	上市股本證券 人民幣19,319,000元	上市股本證券 人民幣19,319,000元	級別一	於活躍市場的報價

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

本公司董事認為，綜合財務報表內按攤銷成本計量的金融資產及金融負債的賬面值與其公平值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

7. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged for the years ended 31 December 2022 and 2023.

The capital structure of the Group consists of debt (which includes bank borrowings and lease liabilities) and equity attributable to owners of the Company, comprising issued capital and reserves. The directors of the Company review the capital structure on a continuous basis. As part of this review, the directors consider the cost of capital and the risks associated with capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the issuance of new shares as well as the addition of new borrowings.

Gearing ratio

The gearing ratio at 31 December 2023 and 2022 were as follows:

Debt	債務
Total equity	權益總額
Gearing ratio	資本負債比率

7. 資本風險管理

本集團管理其資本，以確保本集團內各實體能夠持續經營，同時亦透過優化債項與權益之平衡，為股東爭取最高回報。截至二零二二年及二零二三年十二月三十一日止年度，本集團整體策略保持不變。

本集團之資本架構包括債項（包括銀行借款及租賃負債）以及本公司擁有人應佔權益（包括已發行資本及儲備）。本公司董事不斷檢討資本架構。作為檢討一部分，董事考慮資本成本及資本相關風險。本集團將根據董事之意見透過發行新股及新增借款，平衡其整體資本結構。

資本負債比率

於二零二三年及二零二二年十二月三十一日的資本負債比率如下：

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Debt	29,572	32,362
Total equity	152,192	121,666
Gearing ratio	19.4%	26.6%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

8. SEGMENT INFORMATION

Information reported to the Directors being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on the types of goods delivered.

The Group’s operating and reportable segments are as follows:

- (i) the manufacture and sale of nonwoven fabric related products used in automotive interior decoration parts and other parts; and
- (ii) the supply and procurement operation segment including trading of rubber and food products.

Segment revenue and results

		Supply and procurement operation		Manufacture and sale of nonwoven fabric related products		Total	
		供應及採購業務		製造及銷售無紡布相關產品		合計	
		2023	2022	2023	2022	2023	2022
		二零二三年	二零二二年	二零二三年	二零二二年	二零二三年	二零二二年
		RMB'000	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	人民幣千元
Segment revenue:	分部收入:						
Sales to external customers	銷售予外部客戶	-	13,184	113,673	170,852	113,673	184,036
Segment results	分部業績	(6,467)	(3,785)	9,597	(42,949)	3,130	(46,734)
Unallocated corporate income	未分配公司收入					39,021	1,792
Unallocated corporate expenses	未分配公司開支					(6,224)	(31,458)
Profit/(loss) from operations	經營溢利/(虧損)					35,927	(76,400)
Finance costs	融資成本					(1,580)	(2,070)
Profit/(loss) before tax	除稅前溢利/(虧損)					34,347	(78,470)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the years ended 31 December 2023 and 2022.

8. 分部資料

向董事(即主要經營決策者(「主要經營決策者」))呈報以分配資源及評估分部表現的資料,著重所付運貨品的類別。

本集團的經營及可呈報分部如下:

- (i) 製造及銷售用於汽車內飾件及其他部分的無紡布相關產品;及
- (ii) 供應及採購經營分部(包括買賣橡膠及食品)。

分部收入及業績

Manufacture and sale of nonwoven fabric related products

	Supply and procurement operation		Manufacture and sale of nonwoven fabric related products		Total		
	供應及採購業務		製造及銷售無紡布相關產品		合計		
	2023	2022	2023	2022	2023	2022	
	二零二三年	二零二二年	二零二三年	二零二二年	二零二三年	二零二二年	
		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	
Segment revenue:	分部收入:						
Sales to external customers	銷售予外部客戶	-	13,184	113,673	170,852	113,673	184,036
Segment results	分部業績	(6,467)	(3,785)	9,597	(42,949)	3,130	(46,734)
Unallocated corporate income	未分配公司收入					39,021	1,792
Unallocated corporate expenses	未分配公司開支					(6,224)	(31,458)
Profit/(loss) from operations	經營溢利/(虧損)					35,927	(76,400)
Finance costs	融資成本					(1,580)	(2,070)
Profit/(loss) before tax	除稅前溢利/(虧損)					34,347	(78,470)

以上呈報的分部收入乃來自外部客戶的收入。截至二零二三年及二零二二年十二月三十一日止年度並無分部間收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

8. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

Segment results represent the profit/(loss) from each segment without allocation of interest income, fair value gain/(loss) on financial assets at FVTPL, share of results of associates and central operating expenses including staff costs, finance costs and income tax expense. This is the measure reported to the CODM for the purpose of resource allocation and assessment of segment performance.

Segment assets and liabilities

		Supply and procurement operation 供應及採購業務		Manufacture and sale of nonwoven fabric related products 製造及銷售無紡布相關產品		Total 合計	
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
ASSETS	資產						
Segment assets	分部資產	9,638	24,464	220,075	254,127	229,713	278,591
Unallocated corporate assets	未分配公司資產					35,721	28,626
Total assets	資產總值					265,434	307,217
LIABILITIES	負債						
Segment liabilities	分部負債	1,143	3,446	75,018	145,823	76,161	149,269
Unallocated corporate liabilities	未分配公司負債					37,081	36,282
Total liabilities	負債總額					113,242	185,551

8. 分部資料(續)

分部收入及業績(續)

分部業績指於並無分配利息收入、按公平值於損益列賬的金融資產之公平值收益/(虧損)、應佔聯營公司業績及中央行政費用(包括員工成本、融資成本及所得稅開支)的情況下各分部的溢利/(虧損)。此乃向主要經營決策者呈報以分配資源及評估分部表現的衡量基準。

分部資產及負債

Manufacture and sale of nonwoven fabric related products

	Supply and procurement operation 供應及採購業務		Manufacture and sale of nonwoven fabric related products 製造及銷售無紡布相關產品		Total 合計	
	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Segment assets	9,638	24,464	220,075	254,127	229,713	278,591
Unallocated corporate assets					35,721	28,626
Total assets					265,434	307,217
Segment liabilities	1,143	3,446	75,018	145,823	76,161	149,269
Unallocated corporate liabilities					37,081	36,282
Total liabilities					113,242	185,551

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

8. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

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

- all assets are allocated to reportable segment other than corporate financial assets including financial assets at FVTPL, interest in an associate and corporate cash and bank balances.
- all liabilities are allocated to reportable segments other than corporate financial liabilities including accruals and other payables.

Other segment information

The following is the analysis of the Group's other segment information:

8. 分部資料(續)

分部資產及負債(續)

為監察分部表現及於分部間分配資源：

- 除公司金融資產(包括按公平值於損益列賬的金融資產、於聯營公司的權益及公司現金及銀行結餘)外，所有資產均分配至可呈報分部。
- 除公司金融負債(包括應計費用及其他應付款項)外，所有負債均分配至可呈報分部。

其他分部資料

以下為本集團的其他分部資料分析：

		Supply and procurement operation		Manufacture and sale of nonwoven fabric related products		Total	
		供應及採購業務		製造及銷售無紡布相關產品		合計	
		2023	2022	2023	2022	2023	2022
		二零二三年	二零二二年	二零二三年	二零二二年	二零二三年	二零二二年
		RMB'000	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	人民幣千元
Amounts included in the measure of segment profit or loss or segment assets	計入分部溢利或虧損或分部資產計量的款項						
Capital expenditure	資本開支	-	-	1,128	900	1,128	900
Depreciation of property, plant and equipment	物業、廠房及設備折舊	-	-	1,469	3,404	1,469	3,404
Depreciation on right-of-use assets (Reversal of allowance)/allowance for expected credit losses recognised on trade receivables, net	使用權資產折舊 就應收貿易款項確認的 預期信貸虧損(撥備 撥回)/撥備淨額	-	231	2,419	2,707	2,419	2,938
Reversal of allowance for expected credit losses recognised on other receivables, net	就其他應收款項確認的 預期信貸虧損撥備 撥回淨額	6,037	1,641	(32,483)	28,257	(26,446)	29,898
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備虧損	-	-	(1,094)	(2,670)	(1,094)	(2,670)
Loss on deconsolidation of subsidiaries	終止綜合入賬附屬公司 的虧損	-	-	4,697	9,986	4,697	9,986
		6,470	-	-	-	6,470	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

8. SEGMENT INFORMATION (Continued)

Revenue from major products and services

Information about the Group's major products is set out in note 9.

Geographical information

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

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

		Revenue from external customers 來自外部客戶的收入		Non-current assets* 非流動資產*	
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
The PRC	中國	113,673	176,451	87,265	36,926
Hong Kong	香港	–	7,585	–	237
		113,673	184,036	87,265	37,163

* Non-current assets exclude interest in an associate and deferred tax assets.

Information about major customers

Details of the customers individually representing 10% or more of the Group's revenue are as follows:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Customer A	客戶 A	–*	34,775
Customer B	客戶 B	11,929	22,475
Customer C	客戶 C	18,436	–*
Customer D	客戶 D	11,707	–*

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

Except disclosed above, no other customers contributed 10% or more to the Group's revenue for both years.

8. 分部資料(續)

來自主要產品及服務的收入

有關本集團主要產品的資料載於附註9。

地區資料

本集團的營運地點位於中國及香港。

以下詳述本集團來自外部客戶的收入及有關按地區劃分的非流動資產的資料。

* 非流動資產不包括於聯營公司的權益及遞延稅項資產。

有關主要客戶的資料

個別佔本集團收入10%或以上的客戶詳情如下：

* 相應收入並無對本集團的總收入貢獻10%或以上。

除上文所披露者外，概無其他客戶對本集團的收入貢獻為10%或以上。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

9. REVENUE

The Group's revenue represents sales of nonwoven fabric related products used in automotive interior decoration parts and other parts, rubber and food products.

An analysis of revenue by types of goods as follows:

Nonwoven fabric related products for use in automotive interior decoration

- Sales of automotive floor carpets
- Sales of other automotive parts

Supply and procurement operation:

- Sales of rubber
- Sales of food products

Total revenue recognised at a point in time

用於汽車內飾件的無紡布相關產品：

- 汽車地毯的銷售
- 其他汽車配件的銷售

供應及採購業務：

- 橡膠銷售
- 食品銷售

於某一時間點確認的收入總額

All revenue contracts are for period of one year or less, as permitted by practical expedient under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

10. OTHER NET GAIN/(LOSSES)

- Interest income
- Fair value gain/(loss) on financial assets at FVTPL
- Realised gain/(loss) on disposal of financial asset at FVTPL
- Rental income
- Loss on deconsolidation of subsidiaries (note 44)
- Others

- 利息收入
- 按公平值於損益列賬的金融資產的公平值收益/(虧損)
- 出售按公平值於損益列賬的金融資產的已變現收益/(虧損)
- 租賃收入
- 終止綜合入賬附屬公司的虧損(附註44)
- 其他

9. 收入

本集團收入指用於汽車內飾件及其他部分的無紡布相關產品、橡膠及食品的銷售。

按貨品類型分析的收入如下：

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
用於汽車內飾件的無紡布相關產品：		
– 汽車地毯的銷售	88,766	136,083
– 其他汽車配件的銷售	24,907	34,769
供應及採購業務：		
– 橡膠銷售	–	5,599
– 食品銷售	–	7,585
Total revenue recognised at a point in time	113,673	184,036

所有收入合約均為期一年或以下，按香港財務報告準則第15號的實際權宜法所允許，分配至未達成合約的交易價並未披露。

10. 其他收益/(虧損)淨額

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
利息收入	67	50
按公平值於損益列賬的金融資產的公平值收益/(虧損)	6,349	(20,354)
出售按公平值於損益列賬的金融資產的已變現收益/(虧損)	568	(570)
租賃收入	4,444	1,701
終止綜合入賬附屬公司的虧損(附註44)	(6,470)	–
其他	53	41
Other net gain/(loss)	5,011	(19,132)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

11. PROFIT/(LOSS) FROM OPERATIONS

The Group's profit/(loss) from operations is stated after charging/(crediting) the following:

Auditors' remuneration	核數師酬金
Depreciation of property, plant and equipment	物業、廠房及設備折舊
Depreciation of right-of-use assets	使用權資產折舊
Depreciation of investment property	投資物業折舊
Expenses relating to short-term leases	短期租賃開支
Staff costs including directors' remuneration:	員工成本(包括董事薪酬):
– Salaries and allowances	– 薪金及津貼
– Share-based payment expenses	– 股份付款開支
– Retirement benefits scheme contributions	– 退休福利計劃供款
Cost of inventories recognised as cost of sales	確認為銷售成本的存貨成本
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損
(Reversal of allowance)/allowance for ECL on trade receivables	應收貿易款項的預期信貸虧損(撥備撥回)/撥備
Reversal of allowance for ECL on other receivables	其他應收款項的預期信貸虧損撥備撥回
Provision for impairment on interests in associates	於聯營公司的權益減值撥備
Research and development expenditure (note)	研究及開發支出(附註)

Note: The amounts included in cost of sales for the year ended 31 December 2022 amounted to nil.

11. 經營溢利/(虧損)

本集團的經營溢利/(虧損)已扣除/(計入)下列各項:

2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
452	429
1,469	3,404
2,418	2,938
356	152
137	290
11,355	13,250
–	3,008
1,742	1,665
82,878	164,550
4,697	9,986
(26,446)	29,898
(1,094)	(2,670)
2,358	4,396
–	113

附註: 截至二零二二年十二月三十一日止年度內入賬為銷售成本的金額約為零。

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綜合財務報表附註(續)

For the year ended 31 December 2023
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12. FINANCE COSTS

Interest expenses on bank borrowings wholly repayable within five years	須於五年內悉數償還的銀行借款的利息費用	1,293	1,500
Interest expenses on lease liabilities	租賃負債的利息費用	287	570
		1,580	2,070

12. 融資成本

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
	1,293	1,500
	287	570
	1,580	2,070

13. INCOME TAX EXPENSE

Current tax	即期稅項		
Hong Kong	香港	-	-
PRC enterprise income tax ("EIT")	中國企業所得稅 (「企業所得稅」)	490	10
		490	10
Deferred tax	遞延稅項		
Charged to profit or loss (note 35)	從損益扣除(附註35)	3,826	78
		4,316	88

13. 所得稅開支

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
	-	-
	490	10
	490	10
	3,826	78
	4,316	88

Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and BVI.

Under the two-tiered profits tax rates regime of Hong Kong Profit tax, the first HK\$2 million of assessable profits of qualifying group entities will be taxed at 8.25%, and assessable profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (2022: 16.5%). Accordingly, the Hong Kong profits tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profit and at 16.5% on the estimated assessable profit above HK\$2 million.

根據開曼群島及英屬維爾京群島(「英屬維爾京群島」)規例及法規,本集團於開曼群島及英屬維爾京群島毋須繳納任何所得稅。

根據香港利得稅的兩級利得稅稅率制度,合資格集團實體之首2百萬港元之應課稅溢利將按8.25%之稅率繳納稅項,而超過2百萬港元之應課稅溢利將按16.5%之稅率繳納稅項。不符合兩級利得稅稅率制度資格之集團實體之溢利將繼續按16.5%(二零二二年:16.5%)之統一稅率繳納稅項。因此,合資格集團實體首2百萬港元的估計應課稅溢利按8.25%計算香港利得稅,超過2百萬港元的估計應課稅溢利按16.5%計算香港利得稅。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

13. INCOME TAX EXPENSE (Continued)

No provision for taxation in Hong Kong is recognised as there is no assessable profit for the year ended 31 December 2023 (2022: Nil).

PRC EIT is calculated at the applicable rates based on estimated taxable income earned by the PRC subsidiary of the Group with certain tax preference, based on existing legislation, interpretation and practice in respect thereof.

Pursuant to EIT rules and regulations of the PRC, the applicable PRC EIT rate of the Group's PRC subsidiaries for the years ended 31 December 2023 and 2022 is 25%.

According to the relevant announcements of income tax relief policy for small low-profit enterprises issued by the State Administration of Taxation, a lower EIT rate is applicable to small-scale enterprises with low profitability that meet certain conditions, pursuant to which, the subsidiaries qualified as small scale enterprises with assessable profits not over RMB3,000,000 are effectively taxable at 5% (i.e. 20% EIT rate on the 25% of the assessable profits) for the year ended 31 December 2023. For the year ended 31 December 2022, (i) the first RMB1,000,000 of assessable profits (the "1st Assessable Profits") of these subsidiaries were effectively taxable at 2.5% (i.e. 20% EIT rate on 12.5% of the 1st Assessable Profits; and (ii) the remaining assessable profits not over RMB3,000,000 (the "Remaining Assessable Profits") were taxable at 5% (i.e. 20% EIT rate on the 25% of the Remaining Assessable Profits). Certain of the Company's subsidiaries have been designated as a small-scale enterprise.

13. 所得稅開支(續)

由於截至二零二三年十二月三十一日止年度並無應課稅溢利(二零二二年:零),故並無確認計提的香港稅項。

中國企業所得稅根據現行法例、詮釋及其相關慣例,按享有若干稅項優惠的本集團的中國附屬公司所賺取估計應課稅收入,以適用稅率計算。

根據中國企業所得稅規例及法規,截至二零二三年及二零二二年十二月三十一日止年度,本集團的中國附屬公司的適用中國企業所得稅率為25%。

根據國家稅務總局發佈的小型微利企業所得稅減免政策的相關公告,符合若干條件的小型微利企業適用較低的企業所得稅率,據此,截至二零二三年十二月三十一日止年度,作為合資格小型微利企業的附屬公司不超過人民幣3,000,000元的應課稅溢利按實際稅率5%(即就應課稅溢利的25%按20%的企業所得稅稅率)繳稅。截至二零二三年十二月三十一日止年度,(i)該等附屬公司首人民幣1,000,000元的應課稅溢利(「首筆應課稅溢利」)按實際稅率2.5%(即就首筆應課稅溢利的12.5%按20%的企業所得稅稅率)繳稅;及(ii)餘下不超過人民幣3,000,000元的應課稅溢利(「餘下應課稅溢利」)按稅率5%(即就餘下應課稅溢利的25%按20%的企業所得稅稅率)繳稅。本公司若干附屬公司已獲指定為小型企業。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註 (續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

13. INCOME TAX EXPENSE (Continued)

The reconciliation between the income tax credit and the loss before tax multiplied by the PRC EIT rate is as follows:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Profit/(loss) before tax	除稅前溢利／(虧損)	34,347	(78,470)
Tax at the PRC enterprise income tax rate of 25% (2022: 25%)	按中國企業所得稅稅率25%計算(二零二二年: 25%)	8,587	(19,618)
Effect of concessionary tax rates	優惠稅率的影響	(186)	(502)
Tax effect of expenses not deductible for tax purpose	毋須扣稅開支的稅務影響	3,772	12,469
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	856	2,155
Utilisation of tax losses previously not recognised	動用過往未確認稅項虧損	(4,236)	(321)
Tax effect of share of results of associate	應佔聯營公司業績的稅務影響	709	(74)
Tax effect of income that are not taxable	毋須課稅收入的稅務影響	(4,609)	(12)
Tax effect of temporary differences not recognised	未確認臨時差額的稅務影響	5,250	5,991
Utilisation of deductible temporary differences previously not recognised	動用過往未確認可扣稅臨時差額	(5,827)	-
Income tax expense	所得稅開支	4,316	88

At 31 December 2023, no deferred tax has been provided for in respect of the temporary differences attributable to profits earned by the PRC subsidiaries amounting to approximately RMB85,941,000 (2022: RMB38,906,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share amount is based on the profit for the year attributable to owners of the Company of approximately RMB30,031,000 (2022: loss for the year attributable to owner of the Company of approximately RMB78,558,000) and the weighted average number of ordinary shares of 175,115,104 (2022: 172,431,268) in issue during the year.

13. 所得稅開支 (續)

所得稅抵免與除稅前虧損乘以中國企業所得稅稅率計算所得數額的對賬如下:

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Profit/(loss) before tax	除稅前溢利／(虧損)	34,347	(78,470)
Tax at the PRC enterprise income tax rate of 25% (2022: 25%)	按中國企業所得稅稅率25%計算(二零二二年: 25%)	8,587	(19,618)
Effect of concessionary tax rates	優惠稅率的影響	(186)	(502)
Tax effect of expenses not deductible for tax purpose	毋須扣稅開支的稅務影響	3,772	12,469
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	856	2,155
Utilisation of tax losses previously not recognised	動用過往未確認稅項虧損	(4,236)	(321)
Tax effect of share of results of associate	應佔聯營公司業績的稅務影響	709	(74)
Tax effect of income that are not taxable	毋須課稅收入的稅務影響	(4,609)	(12)
Tax effect of temporary differences not recognised	未確認臨時差額的稅務影響	5,250	5,991
Utilisation of deductible temporary differences previously not recognised	動用過往未確認可扣稅臨時差額	(5,827)	-
Income tax expense	所得稅開支	4,316	88

於二零二三年十二月三十一日，本公司並未就中國附屬公司賺取的溢利約人民幣85,941,000元(二零二二年: 人民幣38,906,000元)的臨時差額而作出遞延稅項撥備，因為本集團足以掌控臨時差額撥回之時間，而臨時差額很可能不會於可見將來撥回。

每股基本盈利／(虧損)

每股基本盈利／(虧損)金額乃根據本公司擁有人應佔年度溢利約人民幣30,031,000元(二零二二年: 本公司擁有人應佔年度虧損約人民幣78,558,000元)及年內已發行普通股之加權平均數175,115,104股(二零二二年: 172,431,268股)計算得出。

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14. EARNINGS/(LOSS) PER SHARE

Diluted earnings/(loss) per share

For the year ended 31 December 2023, diluted earnings per share is the same as the basic earnings per share because the exercise price of the Company's outstanding share options was higher than the average market price for shares.

For the year ended 31 December 2022, diluted loss per share is the same as the basic loss per share because the effects of the Company's outstanding share options were anti-dilutive.

15. DIRECTORS', CHIEF EXECUTIVES' AND EMPLOYEES' REMUNERATION

Pursuant to the Section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

Name of director 董事姓名	Director fees 董事袍金		Salaries and allowances 薪金及補貼		Retirement benefit scheme contributions 退休福利計劃供款		Share-based payment expenses 以股份為基礎的付款		Total 合計	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	二零二三年 RMB'000 人民幣千元	二零二二年 RMB'000 人民幣千元	二零二三年 RMB'000 人民幣千元	二零二二年 RMB'000 人民幣千元	二零二三年 RMB'000 人民幣千元	二零二二年 RMB'000 人民幣千元	二零二三年 RMB'000 人民幣千元	二零二二年 RMB'000 人民幣千元	二零二三年 RMB'000 人民幣千元	二零二二年 RMB'000 人民幣千元
Executive director 執行董事										
Zhuang Yuejin (note (a)) 莊躍進(附註(a))	-	184	-	-	-	-	-	348	-	532
Wong Ho Yin (note (b)) 黃浩然(附註(b))	-	-	1,682	1,585	18	15	-	348	1,700	1,948
Xiao Suni 肖蘇妮	109	103	-	-	-	-	-	348	109	451
Independent non-executive director 獨立非執行董事										
Mak Wai Ho 麥偉豪	109	103	-	-	-	-	-	-	109	103
Ng Li La Adeline 吳莉娜	87	82	-	-	-	-	-	-	87	82
Zhu Chun Yan 朱春燕	87	82	-	-	-	-	-	-	87	82
	392	554	1,682	1,585	18	15	-	1,044	2,092	3,198

Notes:

- (a) Mr. Zhuang Yuejin is also the Chairman and Chief Executive Officer of the Company.
- (b) Mr. Wong Ho Yin is also the Chief Financial Officer of the Company. Mr. Wong Ho Yin was resigned as executive director and Chief Financial Officer of the Company with effect on 18 October 2023.

During the years ended 31 December 2023 and 2022, no emoluments were paid by the Group to the Directors and chief executive as a discretionary bonus or an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a Director waived or agreed to waive any emoluments during the years ended 31 December 2023 and 2022.

14. 每股盈利/(虧損)

每股攤薄盈利/(虧損)

截至二零二三年十二月三十一日止年度，每股攤薄盈利與每股基本盈利相同，是由於本公司的尚未行使購股權的行使價高於股份的平均市價。

截至二零二二年十二月三十一日止年度，每股攤薄虧損與每股基本虧損相同，是由於本公司的尚未行使購股權具反攤薄效應。

15. 董事、最高行政人員及僱員薪酬

根據香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部作出之披露如下：

附註：

- (a) 莊躍進先生亦為本公司的主席兼行政總裁。
- (b) 黃浩然先生亦為本公司的財務總監。黃浩然先生辭任本公司執行董事兼財務總監，自二零二三年十月十八日起生效。

截至二零二三年及二零二二年十二月三十一日止年度，本集團概無向董事及最高行政人員支付酬金作為酌情花紅或吸引加入或加入本集團時的獎勵或作為離職補償。於截至二零二三年及二零二二年十二月三十一日止年度，概無董事放棄或同意放棄任何酬金的安排。

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截至二零二三年十二月三十一日止年度

15. DIRECTORS', CHIEF EXECUTIVES' AND EMPLOYEES' REMUNERATION (Continued)

The executive director's emolument shown above were for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive director's emoluments shown above were for their services as directors of the Company.

No transactions agreement and contracts in relation to the Group's business to which the Company or any subsidiaries of the Company was a party an in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

16. FIVE HIGHEST PAID EMPLOYEES

The five highest paid individuals of the Group during the year included 2 (2022: 3) director(s), details of whose remuneration set out in note 15 above. The emoluments of the remaining 3 (2022: 2) individuals are set out below:

Basic salaries and allowances	基本薪金及津貼
Retirement benefits scheme contributions	退休福利計劃供款

The number of the senior management (excluding directors) of the Group are within the following band:

Nil to HKD1,000,000	零至1,000,000港元
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During the years ended 31 December 2023 and 2022, no remuneration was paid by the Group to the non-executive director, highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office. None of the non-executive director and highest paid employees waived or agreed to waive any emoluments during the years ended 31 December 2023 and 2022.

15. 董事、最高行政人員及僱員薪酬(續)

上文所示執行董事薪酬為就管理本公司及本集團事務的服務酬金。

上文所示獨立非執行董事酬金為彼等擔任本公司董事的酬金。

本公司或本公司任何附屬公司概無訂立有關本集團業務，於年底或年內任何時間存續的交易、協議及合約，而董事於其中直接或間接擁有重大權益。

16. 五名最高薪酬僱員

本集團於本年度內五位最高薪酬人士包括兩名(二零二二年:三名)董事，酬金詳情載列於上文附註15。餘下三名最高薪酬人士(二零二二年:兩名)的薪酬載列如下:

2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
535	399
38	27
573	426

本集團高級管理層(不包括董事)之人數介乎以下範圍內:

Number of individuals 人數	
2023 二零二三年	2022 二零二二年
3	2

截至二零二三年及二零二二年十二月三十一日止年度內，本集團概無向非執行董事、最高薪酬僱員支付酬金，作為加入本集團或加入本集團後的獎勵，或作為離職補償。截至二零二三年及二零二二年十二月三十一日止年度內，概無非執行董事及最高酬金僱員放棄或同意放棄任何酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

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截至二零二三年十二月三十一日止年度

17. DIVIDEND

The directors do not recommend the payments of any dividend in respect of the year ended 31 December 2023 (2022: nil).

17. 股息

董事不建議就截至二零二三年十二月三十一日止年度派付任何股息(二零二二年:無)。

18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

		Buildings	Plant and machinery	Motor vehicles	Furniture and fixtures	Leasehold improvements	Total
		樓宇	廠房及機械	汽車	傢俬及裝置	租賃物業裝修	合計
		RMB'000	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	人民幣千元
Cost	成本						
At 1 January 2022	於二零二二年一月一日	10,067	87,052	4,751	2,511	3,469	107,850
Additions	添置	-	861	-	39	-	900
Disposals	出售	(435)	(42,263)	-	(331)	-	(43,029)
Transfer to investment properties (note 19)	轉移至投資物業 (附註19)	(9,632)	-	-	-	-	(9,632)
Exchange alignment	匯兌調整	-	-	60	21	55	136
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及二零二三年一月一日	-	45,650	4,811	2,240	3,524	56,225
Additions	添置	-	1,128	-	-	-	1,128
Disposals	出售	-	(5,627)	(246)	-	-	(5,873)
Deconsolidation of subsidiaries	終止綜合入賬附屬公司	-	-	(763)	(347)	(257)	(1,367)
At 31 December 2023	於二零二三年十二月三十一日	-	41,151	3,802	1,893	3,267	50,113
Accumulated depreciation	累計折舊						
At 1 January 2022	於二零二二年一月一日	5,277	53,967	3,460	1,936	2,340	66,980
Charge for the year	年度支出	152	2,710	251	180	111	3,404
Disposals	出售	(82)	(32,631)	-	(286)	-	(32,999)
Transfer to investment properties (note 19)	轉移至投資物業 (附註19)	(5,347)	-	-	-	-	(5,347)
Exchange alignment	匯兌調整	-	-	59	21	55	135
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及二零二三年一月一日	-	24,046	3,770	1,851	2,506	32,173
Charge for the year	年度支出	-	1,220	62	107	80	1,469
Disposals	出售	-	(955)	(217)	-	-	(1,172)
Deconsolidation of subsidiaries	終止綜合入賬附屬公司	-	-	(763)	(347)	(257)	(1,367)
At 31 December 2023	於二零二三年十二月三十一日	-	24,311	2,852	1,611	2,329	31,103
Net book value	賬面淨值						
At 31 December 2023	於二零二三年十二月三十一日	-	16,840	950	282	938	19,010
At 31 December 2022	於二零二二年十二月三十一日	-	21,604	1,041	389	1,018	24,052

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

18. PROPERTY, PLANT AND EQUIPMENT

(Continued)

Impairment assessment

For the year ended 31 December 2023, the Group assessed that there was no impairment indicator of the CGU.

For the year ended 31 December 2022, the directors of the Company have performed impairment assessment in respect of the manufacturing and sale of nonwoven fabric related products, the recoverable amounts of which have been determined based on value in use using cashflow projection approved by the directors of the Company covering a five years period. The pre-tax discount rates applied in measuring the amounts of value in use is 8%. The carrying amount of then relevant assets does not exceed the recoverable amounts based on value in use, and there was no impairment considered necessary of provide in the consolidated financial statements for the year ended 31 December 2022.

18. 物業、廠房及設備(續)

減值評估

截至二零二三年十二月三十一日止年度，本集團經評估認為現金產生單位無減值跡象。

截至二零二二年十二月三十一日止年度，本公司董事已就無紡布相關產品製造及銷售進行減值評估，其可收回金額乃使用本公司董事所批准涵蓋五年期間的現金流量預測根據使用價值釐定。計量使用價值金額所採用的稅前貼現率為8%。相關資產的賬面值基於使用價值未超過可收回金額，且截至二零二二年十二月三十一日止年度，概無減值被認為須於綜合財務報表內作出撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

19. INVESTMENT PROPERTY

During the years ended 31 December 2023 and 2022, the Group leased out a self-owned factory under an operating lease with rentals payable monthly. The lease typically run for an initial period of 5 years.

Since the factory was leased out during the year, the carrying amount of the factory classified as buildings included in property, plant and equipment of approximately RMB4,285,000 was transferred to investment property during the year ended 31 December 2022 and subsequently measured under cost model.

19. 投資物業

截至二零二三年及二零二二年十二月三十一日止年度，本集團按經營租賃出租一間自有廠房，租金於每月支付。租約一般初步為期5年。

由於該廠房於年內出租，截至二零二二年十二月三十一日止年度，分類為樓宇計入物業、廠房及設備的廠房賬面值約人民幣4,285,000元轉移至投資物業，及其後按成本模式計量。

		Investment property 投資物業 RMB'000 人民幣千元
Cost	成本	
At 1 January 2022	於二零二二年一月一日	-
Transfer from property, plant and equipment (note 18)	轉移自物業、廠房及設備(附註18)	9,632
		<hr/>
At 31 December 2022, 1 January 2023 and 31 December 2023	於二零二二年十二月三十一日、二零二三年一月一日及二零二三年十二月三十一日	9,632
		<hr/>
Accumulated depreciation	累計折舊	
At 1 January 2022	於二零二二年一月一日	-
Transfer from property, plant and equipment (note 18)	轉移自物業、廠房及設備(附註18)	5,347
Charge for the year	年度支出	152
		<hr/>
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及二零二三年一月一日	5,499
Charge for the year	年度支出	356
		<hr/>
At 31 December 2023	於二零二三年十二月三十一日	5,855
		<hr/>
Net book value	賬面淨值	
At 31 December 2023	於二零二三年十二月三十一日	3,777
		<hr/>
At 31 December 2022	於二零二二年十二月三十一日	4,133
		<hr/>

At 31 December 2023, the Group's investment property with a carrying amount of approximately RMB3,777,000 (2022: approximately RMB4,133,000) was pledged as security to banks for bank borrowings.

於二零二三年十二月三十一日，本集團賬面值約為人民幣3,777,000元(二零二二年：約人民幣4,133,000元)的投資物業已抵押予銀行作為取得銀行借款之抵押品。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023
截至二零二三年十二月三十一日止年度

20. RIGHT-OF-USE ASSETS

20. 使用權資產

		Leasehold land 租賃土地 RMB'000 人民幣千元	Leased Properties 租賃物業 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Cost	成本			
At 1 January 2022	於二零二二年一月一日	2,552	10,648	13,200
Additions	添置	-	5,195	5,195
Exchange alignment	匯兌調整	-	88	88
		<hr/>	<hr/>	<hr/>
At 31 December 2022 and 1 January 2023	於二零二二年 十二月三十一日及 二零二三年一月一日	2,552	15,931	18,483
Deconsolidation of subsidiaries (note 44)	終止綜合入賬附屬公司 (附註44)	-	(766)	(766)
		<hr/>	<hr/>	<hr/>
At 31 December 2023	於二零二三年 十二月三十一日	2,552	15,165	17,717
		<hr/>	<hr/>	<hr/>
Accumulated depreciation	累計折舊			
At 1 January 2022	於二零二二年一月一日	219	6,275	6,494
Charge for the year	年度支出	73	2,865	2,938
Exchange alignment	匯兌調整	-	73	73
		<hr/>	<hr/>	<hr/>
At 31 December 2022 and 1 January 2023	於二零二二年十二月 三十一日及二零二三年 一月一日	292	9,213	9,505
Charge for the year	年度支出	73	2,345	2,418
Deconsolidation of subsidiaries (note 44)	終止綜合入賬附屬公司 (附註44)	-	(529)	(529)
		<hr/>	<hr/>	<hr/>
At 31 December 2023	於二零二三年 十二月三十一日	365	11,029	11,394
		<hr/>	<hr/>	<hr/>
Carrying amount	賬面值			
At 31 December 2023	於二零二三年 十二月三十一日	2,187	4,136	6,323
		<hr/>	<hr/>	<hr/>
At 31 December 2022	於二零二二年 十二月三十一日	2,260	6,718	8,978
		<hr/>	<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

20. RIGHT-OF-USE ASSETS (Continued)

Expenses relating to short-term leases	短期租賃開支
Total cash outflow for leases (note)	租賃現金流出總額(附註)
Addition to right-of-use assets	使用權資產添置

Note: Amount includes payments of principal of RMB2,547,000 (2022: RMB2,633,000) and interest portion of RMB287,000 (2022: RMB570,000) of lease liabilities and lease terms ends within 12 months of RMB433,000 (2022: RMB290,000).

Lease liabilities of RMB4,572,000 (2022: RMB7,362,000) are recognised with related right-of-use assets of RMB4,136,000 (2022: RMB6,718,000) as at 31 December 2023. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

At 31 December 2023, the Group's leasehold land with a carrying amount of approximately RMB2,187,000 (2022: approximately RMB2,260,000) was pledged as security to banks for bank borrowings.

20. 使用權資產(續)

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
	433	290
	3,267	3,493
	-	5,195

附註：該金額包括支付租賃負債的本金人民幣2,547,000元(二零二二年：人民幣2,633,000元)及利息部分人民幣287,000元(二零二二年：人民幣570,000元)，租期於12個月內到期的為人民幣433,000元(二零二二年：人民幣290,000元)。

於二零二三年十二月三十一日，已確認租賃負債人民幣4,572,000元(二零二二年：人民幣7,362,000元)及相關使用權資產人民幣4,136,000元(二零二二年：人民幣6,718,000元)。除出租人持有的租賃資產的擔保權益外，租賃協議並無施加任何契諾。租賃資產不可用作借款擔保。

於二零二三年十二月三十一日，本集團賬面值約人民幣2,187,000元(二零二二年：約人民幣2,260,000元)的租賃土地已抵押予銀行作為銀行借款之抵押品。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

21. PARTICULARS OF THE SUBSIDIARIES

Particulars of subsidiaries of the Company at 31 December 2023 and 2022 were as follows:

Name of Company	Place of incorporation/ registration and operation	Nominal value of issued and fully paid ordinary shares/Issued and paid up/ registered capital 已發行及繳足普通股之面值/已發行及繳足/註冊資本	Proportion of ownership interest and voting power held by the Company				Principal activities
			本公司所持所有權及投票權比例				
			2023 二零二三年		2022 二零二二年		
Direct 直接	Indirect 間接	Direct 直接	Indirect 間接				
Joystar (BVI) Automotive Interior Decoration Limited	British Virgin Islands ("BVI") 英屬維爾京群島 〔英屬維爾京群島〕	USD1 1美元	100%	-	100%	-	Investment holding 投資控股
Joystar (BVI) Auto Inter-parts Limited	BVI 英屬維爾京群島	USD1 1美元	100%	-	100%	-	Investment holding 投資控股
Joystar International Investment Limited	Hong Kong	HK\$1,170,177	-	100%	-	100%	Trading of nonwoven fabric related products used in automotive interior decoration parts and other parts 買賣用於汽車內飾件及其他部分的無紡布相關產品
怡星國際投資有限公司	香港	1,170,177港元					
Joystar China Investment Limited 怡星中國投資有限公司	Hong Kong 香港	HK\$1 1港元	-	100%	-	100%	Trading of rubber 買賣橡膠
Joystar Wuxi (note (i))	PRC	USD7,477,172	-	100%	-	100%	Manufacturing of nonwoven fabric related products used in automotive interior decoration parts and other parts 製造用於汽車內飾件及其他部分的無紡布相關產品
怡星(無錫)(附註(i))	中國	7,477,172美元					
Link Excellent Limited	BVI 英屬維爾京群島	USD50,000 50,000美元	100%	-	100%	-	Investment holding 投資控股

21. 附屬公司的詳細資料

於二零二三年及二零二二年十二月三十一日，本公司附屬公司之詳情如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

21. PARTICULARS OF THE SUBSIDIARIES (Continued)

21. 附屬公司的詳細資料(續)

Name of Company 公司名稱	Place of incorporation/ registration and operation 註冊成立/ 登記及營運地點	Nominal value of issued and fully paid ordinary shares/Issued and paid up/ registered capital 已發行及繳足普 通股之 面值/已發行及 繳足/ 註冊資本	Proportion of ownership interest and voting power held by the Company 本公司所持所有權及 投票權比例				Principal activities 主要業務
			2023 二零二三年		2022 二零二二年		
			Direct 直接	Indirect 間接	Direct 直接	Indirect 間接	
Link Sharp International Limited	Hong Kong 香港	HK\$10,000 10,000港元	-	100%	-	100%	Trading of food products 買賣食品
Sinogate Energy Limited 中聯能源有限公司	BVI 英屬維爾京群島	USD1 1美元	-	100%	-	100%	Investment holding 投資控股
Splendid Sun Limited 朗滿有限公司	Hong Kong 香港	HK\$1 1港元	-	100%	-	100%	Trading of rubber 買賣橡膠
朗滿貿易(上海)有限公司(note (i)) 朗滿貿易(上海)有限公司(附註(i))	PRC 中國	USD600,000 600,000美元	-	100%	-	100%	Trading of rubber 買賣橡膠
Loyal Brands International Limited (note (ii))	BVI	USD50,000	-	-	100%	-	Investment holding
Loyal Brands International Limited (附註(ii))	英屬維爾京群島	50,000美元	-	-	-	-	投資控股
Giant Faith Holdings Limited (note (iii)) Giant Faith Holdings Limited (附註(ii))	Hong Kong 香港	HK\$10,000 10,000港元	-	-	-	100%	Trading of food products 買賣食品

None of the subsidiaries had debt securities outstanding at the end of the year or at any time during the year.

於年底或年內任何時間概無附屬公司擁有任何尚未行使的債務證券。

Notes:

附註:

(i) Registered as a wholly-owned foreign enterprise under the PRC law.

(i) 根據中國法律註冊成立為外商獨資企業。

(ii) Deconsolidated during the year ended 31 December 2023.

(ii) 於截至二零二三年十二月三十一日止年度終止綜合入賬。

The above table lists the subsidiaries of the Group, which in the opinion of directors, principally attached the results or assets of the Group. To give details of other subsidiaries would, in the opinion of directors, result in particulars of excessive lengths.

上表載列董事認為對本集團的業績或資產構成重大影響的本集團附屬公司。董事認為倘列出其他附屬公司的詳情會令資料過於冗長。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023
截至二零二三年十二月三十一日止年度

22. INTERESTS IN ASSOCIATES

Cost of investment in associates – Unlisted	於聯營公司的投資的成本 – 非上市
Share of post-acquisition loss and other comprehensive income, net of dividends received – Unlisted	應佔收購後虧損 及其他全面收入 (經扣除已收取股息) – 非上市
Impairment loss	減值虧損

During the year under review, an impairment loss on interests in associates of approximately RMB2,358,000 (2022: approximately RMB4,396,000) was recognised in the Group's consolidated statement of profit or loss and other comprehensive income on the basis of decline in the recoverable amount which was below the carrying amount and adverse changes in the market in which the associates operated.

At 31 December 2023 and 2022, the Group had interest in the following associates:

Name of Company 公司名稱	Place of incorporation/ registration and operation 註冊成立/登記 及營運地點	Issued and paid up capital 已發行及繳足股本	Proportion of ownership interest and voting power held by the Group 本集團所持所有權及 投票權比例		Principal activity 主要業務
			2023 二零二三年	2022 二零二二年	
Prominent Alliance Limited	BVI 英屬維爾京群島	USD100,000 100,000美元	42%	42%	Investment holding 投資控股
GEO Securities Limited	Hong Kong 香港	HKD99,444,592 99,444,592港元	42%	42%	Dealing and advising on securities 證券交易及諮詢

22. 於聯營公司的權益

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
	27,270	26,549
	(7,171)	(4,205)
	(14,225)	(11,543)
	5,874	10,801

於回顧年度內，由於可收回金額下跌至低於其賬面值以及聯營公司經營所在市場的不利變化，於本集團的綜合損益及其他全面收益表中確認於聯營公司的權益之減值虧損約人民幣2,358,000元（二零二二年：約人民幣4,396,000元）。

於二零二三年及二零二二年十二月三十一日，本集團於下列聯營公司擁有權益：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

22. INTERESTS IN ASSOCIATES (Continued)

Summarised financial information in respect of the associates are set out below.

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Current assets	流動資產	18,735	24,442
Non-current assets	非流動資產	30,258	35,100
Current liabilities	流動負債	(23,374)	(27,992)
Non-current liabilities	非流動負債	-	-

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Revenue	收入	2,891	3,397
(Loss)/profit for the year	年度(虧損)/溢利	(6,756)	708
Other comprehensive loss for the year	年度其他全面虧損	-	-
Total comprehensive (loss)/income for the year	年度全面(虧損)/收入總額	(6,756)	708
Group's share of results of associates	本集團應佔聯營公司業績	(2,837)	297

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements is as follows:

22. 於聯營公司的權益(續)

以下載列聯營公司的財務資料概要。

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Net assets of the associate	25,619	31,550
Proportion of the Group's ownership interest in the associate	42%	42%
Goodwill	10,760	13,251
Impairment loss	9,339 (14,225)	9,093 (11,543)
Carrying amount of the Group's interest in the associate	5,874	10,801

上述財務資料概要與綜合財務報表內確認於聯營公司的權益賬面值的對賬如下：

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Net assets of the associate	聯營公司的資產淨額	25,619	31,550
Proportion of the Group's ownership interest in the associate	本集團於聯營公司的所有權比例	42%	42%
Goodwill	商譽	10,760	13,251
Impairment loss	減值虧損	9,339 (14,225)	9,093 (11,543)
Carrying amount of the Group's interest in the associate	本集團於聯營公司的權益賬面值	5,874	10,801

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

22. INTERESTS IN ASSOCIATES (Continued)

Particular of impairment testing on interest in an associate are disclosed below:

Goodwill has been allocated for impairment testing purposes to the following cash – generating units operated by an associate:

- Provision of dealing and advising on securities business

For the years ended 31 December 2023 and 2022, the recoverable amount of this cash-generating units has been determined based on a value in use calculation which uses cash flow projection based on financial budgets approved by the directors and valued by the professional independent valuer covering a five year period, and pre-tax discount rate of 14.0% (2022: 15.9%) per annum. cash flows beyond that five-year period have been extrapolated using a steady 2.5% (2022: 2.5%) growth rate. This growth rate does not exceed the long-term average growth rate for the market.

The key assumptions used in the value in use calculations are as follows:

Budgeted market shares	Average market share in the period immediately before the budget period. The values assigned to assumption reflect past experience
Budgeted gross margin	Average gross margins achieved in the period immediately before the budget period which reflects the past experience

23. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

22. 於聯營公司的權益(續)

於聯營公司之權益的減值測試詳情披露如下:

商譽已就減值測試分配至聯營公司經營的以下現金產生單位:

- 提供證券買賣及諮詢業務

截至二零二三年及二零二二年十二月三十一日止年度,該現金產生單位的可收回金額乃根據使用價值計算法釐定,該計算法採用基於經董事批准並經專業獨立估值師估值的五年期財務預算的現金流量預測,並按每年14.0%(二零二二年:15.9%)的稅前折現率計算得出。超過五年期間之現金流量乃使用穩定增長率2.5%(二零二二年:2.5%)推斷。此增長率不超過市場上之長期平均增長率。

使用價值計算法所用之關鍵假設如下:

預算市場佔有率	緊接預算期前期間之平均市場佔有率。假設所用之價值反映過往經驗
預算毛利率	緊接預算期前期間實現之平均毛利率,反映過往經驗

23. 存貨

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Raw materials	12,087	10,295
Work in progress	721	734
Finished goods	8,639	12,129
	21,447	23,158

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

24. TRADE AND BILLS RECEIVABLES

Trade receivables	應收貿易款項
Less: allowance for ECL	減：預期信貸虧損撥備
Bills receivables	應收票據

The ageing analysis of trade receivables, based on the invoice date, net of allowance for ECL, is as follows:

0 to 90 days	0至90日
91 to 180 days	91至180日
181 to 365 days	181至365日
Over 365 days	超過365日

The Group's trading terms with customers are mainly on credit. The credit terms generally ranging from 30 days to 120 days, depending on the creditworthiness of customers and the existing relationship with the Group. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest bearing.

24. 應收貿易款項及票據

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
	83,270	185,015
	(13,116)	(43,919)
	70,154	141,096
	3,156	3,473
	73,310	144,569

根據發票日期，應收貿易款項的賬齡分析（經扣除預期信貸虧損撥備）如下：

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
	55,634	57,808
	5,229	79,598
	9,291	3,690
	—	—
	70,154	141,096

本集團與客戶的貿易條款主要為信貸。根據客戶信譽及與本集團的現有關係，信貸期一般介乎30至120日。本集團致力嚴謹監控未付之應收款項。逾期未付之結餘由高級管理層定期審閱。應收貿易款項為免息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

24. TRADE AND BILLS RECEIVABLES (Continued)

At 31 December 2023, the carrying amounts of the Group's trade and bills receivables were denominated in RMB of approximately RMB73,310,000 (2022: approximately RMB144,569,000).

Movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in HKFRS 9 for the years ended 31 December 2023 and 2022 is as follows:

At 1 January 2022
Allowance for ECL

於二零二二年一月一日
預期信貸虧損撥備

Total
總計

RMB'000
人民幣千元

14,021

29,898

At 31 December 2022 and 1 January 2023

於二零二二年十二月三十一日及
二零二三年一月一日

43,919

Reversal of allowance for ECL
Deconsolidation of subsidiaries

預期信貸虧損撥備撥回
終止綜合入賬附屬公司

(26,446)

(4,357)

At 31 December 2023

於二零二三年十二月三十一日

13,116

The reversal of loss allowance and loss allowance for trade receivables during the years ended 31 December 2023 and 2022 are approximately RMB26,446,000 and RMB29,898,000 respectively. Movement in allowance for ECL that has been recognised for trade receivables under ECL model of HKFRS 9 for the years ended 31 December 2023 and 2022 was detailed in note 6.

24. 應收貿易款項及票據(續)

於二零二三年十二月三十一日，本集團的應收貿易款項及票據之賬面值乃以人民幣計值，約為人民幣73,310,000元（二零二二年：約人民幣144,569,000元）。

截至二零二三年及二零二二年十二月三十一日止年度，本集團已根據香港財務報告準則第9號所載簡化法就應收貿易款項確認全期預期信貸虧損變動如下：

截至二零二三年及二零二二年十二月三十一日止年度，應收貿易款項的虧損撥備撥回及虧損撥備分別約為人民幣26,446,000元及人民幣29,898,000元。有關截至二零二三年及二零二二年十二月三十一日止年度本集團已根據香港財務報告準則第9號預期信貸虧損模式就應收貿易款項確認預期信貸虧損撥備變動的詳情載於附註6。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Trade deposits	貿易按金
Prepayments	預付款項
Other receivables, net	其他應收款項淨額
Less: Non-current portion (note)	減：非流動部分(附註)

The amount represents the prepayment of acquisition of plant and equipment for upgrading the existing production lines for manufacture and sale of non-woven fabric related products segment. It is expected that the plant and equipment would be installed and the amounts of prepayment would be utilised in 2024.

Details of assessment of ECL are set out in note 6.

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Listed securities:	上市證券：
Equity securities listed in Hong Kong	在香港上市的股本證券

Fair values are determined with reference to quoted market bid prices and quoted price from financial institution.

25. 預付款項、按金及其他應收款項

2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
9,880	30,710
61,750	4,999
10,652	7,348
82,282	43,057
(58,155)	-
24,127	43,057

該金額指為製造及銷售無紡布相關產品分部升級現有生產線而購置機器及設備的預付款項。預期機器及設備將會於二零二四年安裝，而預付款項也將於二零二四年動用。

預期信貸虧損評估詳情載於附註6。

26. 按公平值於損益列賬的金融資產

2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
27,368	19,319

公平值乃參考所報市場買入價及金融機構之報價而釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

27. CASH AND BANK BALANCES

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

Cash and bank balances 現金及銀行結餘

Renminbi 人民幣
Hong Kong dollars 港元
United States dollars 美元

At 31 December 2023, the bank balances of the Group denominated in Renminbi amounted to approximately RMB15,762,000 (2022: RMB12,485,000) were kept in banks in the PRC. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

Cash at banks earn interest at floating rates based on daily bank deposit rate.

27. 現金及銀行結餘

就綜合現金流量表而言，現金及現金等值物包括手頭現金、銀行存款，扣除未償還銀行透支。綜合現金流量表所示報告期末的現金及現金等值物可與綜合財務狀況表內的相關項目對賬如下：

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Cash and bank balances	26,043	25,324
	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Renminbi	15,762	12,485
Hong Kong dollars	1,178	4,016
United States dollars	9,103	8,823
	26,043	25,324

於二零二三年十二月三十一日，本集團以人民幣計值並存放於中國境內銀行之銀行結餘約為人民幣15,762,000元（二零二二年：人民幣12,485,000元）。人民幣兌換成外幣須遵守中國外匯管理條例及結匯、售匯及付匯管理規定。

存放於銀行之現金按基於銀行存款日利率之浮動利率賺取利息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023
截至二零二三年十二月三十一日止年度

28. SHARE CAPITAL

Authorised:	法定：
Ordinary shares of HK\$0.025 each	每股面值0.025港元的普通股
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	於二零二二年一月一日、 二零二二年十二月三十一日、 二零二三年一月一日及 二零二三年十二月三十一日
Issued and fully paid:	已發行及繳足：
At 1 January 2022	於二零二二年一月一日
Exercise of share options	行使購股權
At 31 December 2022, 1 January 2023 and 31 December 2023	於二零二二年十二月三十一日、 二零二三年一月一日及 二零二三年十二月三十一日

29. RESERVES

The amounts of the Group's reserves and movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

Notes:

Share premium

Under the Companies Law of the Cayman Islands, the funds in the share premium of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share and after deduction of capitalisation issue and issuance costs of placing of shares.

Contributed surplus

Contributed surplus of the Company represented the difference between the net assets value of the subsidiary acquired and the nominal value of the share capital of the Company issued in exchange thereof pursuant to the reorganisation during the year ended 31 December 2010.

Merger reserve

The merger reserve of the Group arose as a result of the Group reorganisation implemented in preparation for the listing of the Company's shares in 2010 and represented the difference between the nominal value of the aggregate share capital of the subsidiaries acquired under the reorganisation scheme, over the nominal value of the share capital of the Company issued in exchange therefore.

28. 股本

Number of shares 股份數目	Amount 金額 HK\$'000 千港元	Amount 金額 RMB'000 人民幣千元
40,000,000,000	1,000,000	863,495
167,215,104	4,180	3,476
7,900,000	198	167
175,115,104	4,378	3,643

29. 儲備

本集團於本年度及過往年度的儲備及變動金額在綜合權益變動表呈列。

附註：

股份溢價

根據開曼群島公司法，本公司股份溢價賬內的資金可供分配予本公司股東，惟緊隨建議派付股息日期後，本公司將仍有能力於日常業務過程中償還到期的債務。

股份溢價指按超過股份每股面值之價格發行股份及於扣除資本化發行及配售股份發行成本後產生的溢價。

繳入盈餘

本公司之繳入盈餘指所收購之附屬公司資產淨值與根據截至二零一零年十二月三十一日止年度重組於其中進行交換時之本公司股本面值之差額。

合併儲備

本集團之合併儲備產生於二零一零年籌備本公司股份上市而所進行的重組，指根據重組計劃收購的附屬公司股本總額的面值與高於本公司據此發行以作交換的股本面值間之差額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023
截至二零二三年十二月三十一日止年度

29. RESERVES (Continued)

Notes: (Continued)

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the material accounting policies set out in note 4 to the consolidated financial statements.

Statutory reserve

Subsidiaries of the Company established in the PRC shall appropriate 10% of its annual statutory net profit (after offsetting any prior year's losses) to the statutory reserve fund account in accordance with the PRC Company Law. When the balance of such reserve fund reaches 50% of the entity's share capital, any further appropriation is optional. The statutory reserve fund can be utilised to offset prior year's losses or to increase capital after proper approval.

30. TRADE PAYABLES

The ageing analysis of trade payables, based on the invoice dates, is as follows:

0 to 90 days	0至90日
91 to 180 days	91至180日
181 to 365 days	181至365日
Over 365 days	超過365日

Trade payables generally have credit terms ranging from 10 days to 60 days.

At 31 December 2023, trade payables are denominated in RMB and HKD of approximately RMB29,982,000 and RMB465,000 (2022: RMB50,028,000 and RMB568,000) respectively.

29. 儲備(續)

附註:(續)

外幣換算儲備

外幣換算儲備包括換算海外業務財務報表而產生的所有外匯差額。該儲備乃按綜合財務報表附註4所載列的重要會計政策處理。

法定儲備

根據中國公司法，本公司於中國成立之附屬公司須將其年度法定純利(經扣除過往年度虧損後)的10%撥往法定儲備金賬戶。倘該儲備金之結餘達該實體股本之50%，則可選擇是否作任何進一步分派。於獲得適當批准後，法定儲備金可用作抵銷過往年度虧損或增資。

30. 應付貿易款項

根據發票日期，應付貿易款項的賬齡分析如下：

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
	14,791	24,486
	3,744	7,769
	423	1,412
	11,489	16,929
	30,447	50,596

應付貿易款項信貸期一般介乎10至60日。

於二零二三年十二月三十一日，以人民幣及港元計值的應付貿易款項分別約為人民幣29,982,000元及人民幣465,000元(二零二二年：人民幣50,028,000元及人民幣568,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

31. ACCRUALS AND OTHER PAYABLES

Accruals of staff costs	應計員工成本
Accruals of operating expenses	應計經營開支
Other payables	其他應付款項

31. 應計費用及其他應付款項

2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
559	611
1,039	1,561
10,982	15,948
12,580	18,120

32. CONTRACT LIABILITIES

The following provides information about contract liabilities from contract with customers:

At 1 January	於一月一日
Revenues recognised during the year that was included in the contract liabilities at the beginning of the year	年內確認的收入(於年初計入合約負債)
Deconsolidation of subsidiaries (note 44)	終止綜合入賬附屬公司(附註44)
Increase in contract liabilities as a result of advance from customers during the year	年內因客戶墊款產生的合約負債增加
At 31 December	於十二月三十一日

The contract liabilities represent the Group's obligation to transfer goods for which the Group has received consideration, or for which an amount of consideration is due from customers. The contract liabilities would be recognised as revenue within one year. The Group recognises revenue when "control" of goods is transferred to the customers.

In general, the Group receives certain percentage of the contract sum as advance payment from the customers of the sale of goods.

32. 合約負債

以下載有客戶合約的合約負債之資料：

2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
46,537	30,007
(45,739)	(30,007)
(798)	-
3,133	46,537
3,133	46,537

合約負債指本集團已收代價或應收客戶代價後有義務轉讓貨品。合約負債會於一年內確認為收入。當商品的「控制權」轉移予客戶時，本集團確認收入。

本集團通常向客戶收取一定比例的合約金額作為商品銷售預付款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

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33. BANK BORROWINGS

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Bank loans, secured	銀行貸款·有抵押	25,000	25,000
Less: Amounts classified under current liabilities	減：分類為流動負債的款項		
Secured bank loan that contain a repayment due within one year	包括於一年內到期償還的有抵押銀行貸款	(25,000)	(25,000)
Amounts classified under non-current liabilities	分類為非流動負債的款項	-	-
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Carrying amount repayable: - within one year	應償還款項賬面值： - 於一年內	25,000	25,000
Secured bank loan	有抵押銀行貸款	25,000	25,000

At 31 December 2023, the bank borrowings were secured by charges over the (1) Group's investment property with the carrying amount of approximately RMB3,777,000 (2022: approximately RMB4,133,000); (2) leasehold land with carrying amount of approximately RMB2,187,000 (2022: approximately RMB2,260,000) respectively; and (3) corporate guarantee provided by Zhuang Yuejin, the director of the Company and his spouse. The weighted average effective floating interest rate on the short-term bank borrowings is 4.35% (2022: 4.42%) per annum.

At 31 December 2023, the carrying amount of bank borrowings are denominated in RMB of RMB25,000,000 (2022: RMB25,000,000). The maturity date of the bank borrowings is from 18 June 2024 to 25 June 2024.

There was no breach of covenants at 31 December 2023 (2022: nil).

33. 銀行借款

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Bank loans, secured	銀行貸款·有抵押	25,000	25,000
Less: Amounts classified under current liabilities	減：分類為流動負債的款項		
Secured bank loan that contain a repayment due within one year	包括於一年內到期償還的有抵押銀行貸款	(25,000)	(25,000)
Amounts classified under non-current liabilities	分類為非流動負債的款項	-	-
		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Carrying amount repayable: - within one year	應償還款項賬面值： - 於一年內	25,000	25,000
Secured bank loan	有抵押銀行貸款	25,000	25,000

於二零二三年十二月三十一日，銀行借款由(1)本集團賬面值約人民幣3,777,000元(二零二二年：約人民幣4,133,000元)的投資物業；(2)賬面值約人民幣2,187,000元(二零二二年：約人民幣2,260,000元)的租賃土地；及(3)本公司董事莊躍進及其配偶提供的公司擔保作抵押。短期銀行貸款之加權平均實際浮動年利率為4.35%(二零二二年：4.42%)。

於二零二三年十二月三十一日，以人民幣計值之銀行借款之賬面值約為人民幣25,000,000元(二零二二年：人民幣25,000,000元)。銀行借款到期日為二零二四年六月十八日至二零二四年六月二十五日。

截至二零二三年十二月三十一日，概無違反契諾(二零二二年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

34. LEASE LIABILITIES

At 31 December 2023 and 2022, the Group had lease liabilities as follows:

Within 1 year	於一年內
After 1 year but within 2 years	超過一年但於兩年內
After 2 years but within 5 years	超過兩年但於五年內

The incremental borrowing rates applied to lease liabilities range from 3.4% to 6.4% (2022: 3.4% to 6.4%).

35. DEFERRED TAX ASSETS

The following are the major deferred tax assets recognised and movements thereon during the current and prior years:

At 1 January 2022
Charged to profit or loss for the year (note 13)
Exchange alignment

At 31 December 2022 and 1 January 2023
Charged to profit or loss for the year (note 13)

At 31 December 2023

Note:

At 31 December 2023, the Group had unused tax losses of approximately RMB3,224,000 (2022: RMB16,744,000) available for offset against future taxable profits. No deferred tax asset has been recognised in respect of the estimated unused tax losses due to the unpredictability of future profit streams of the respective subsidiary of the Group which incurred the tax loss.

34. 租賃負債

於二零二三年及二零二二年十二月三十一日，本集團的租賃負債如下：

2023 二零二三年 Present value of the minimum lease payments 最低租賃付款現值 RMB'000 人民幣千元	2022 二零二二年 Present value of the minimum lease payments 最低租賃付款現值 RMB'000 人民幣千元
2,020	2,754
1,142	1,972
1,410	2,636
2,552	4,608
4,572	7,362

適用於租賃負債的增量借款利率介乎3.4%至6.4% (二零二二年: 3.4%至6.4%)。

35. 遞延稅項資產

於本年度及過往年度確認的主要遞延稅項資產及其變動如下：

Allowance for expected credit loss on trade and other receivables 應收貿易及 其他款項的預期信貸虧 損撥備 RMB'000 人民幣千元
3,905
(78)
(1)
3,826
(3,826)
-

附註：

於二零二三年十二月三十一日，本集團擁有可用作抵銷未來應課稅溢利的未動用稅務虧損約人民幣3,224,000元(二零二二年: 人民幣16,744,000元)。由於產生稅務虧損的本集團相關附屬公司未來溢利流的不可預測性，故並無就估計未動用稅務虧損確認遞延稅項資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

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36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flow were, or future cashflows will be classified in the Group's consolidated statement of cash flows from financing activities.

36. 融資活動產生的負債對賬

下表詳述本集團融資活動產生的負債之變動，包括現金及非現金變動。融資活動產生的負債為現金流量或未來現金流量，將於本集團綜合現金流量表分類為融資活動的負債。

		Lease liabilities 租賃負債 RMB'000 人民幣千元	Bank borrowings 銀行借款 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2022	於二零二二年一月一日	4,908	30,000	34,908
Non-cash item	非現金項目			
Accrued interest	應計利息	570	1,500	2,070
Additions to lease liabilities	租賃負債增加	5,195	–	5,195
Financing cash inflows	融資現金流入	–	45,000	45,000
Financing cash outflows	融資現金流出	(3,203)	(51,500)	(54,703)
Exchange alignment	匯兌調整	(108)	–	(108)
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及 二零二三年一月一日	7,362	25,000	32,362
Non-cash item	非現金項目			
Accrued interest	應計利息	287	1,293	1,580
Financing cash inflows	融資現金流入	–	25,000	25,000
Financing cash outflows	融資現金流出	(2,834)	(26,293)	(29,127)
Deconsolidation of subsidiaries	終止綜合入賬附屬公司	(243)	–	(243)
At 31 December 2023	於二零二三年十二月三十一日	4,572	25,000	29,572

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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37. CAPITAL COMMITMENT

The Group has no material capital commitment as 31 December 2023 (2022: nil).

38. PLEDGE OF ASSETS

At 31 December 2023, the Group's investment property (note 19) with a carrying amount of approximately RMB3,777,000 (2022: approximately RMB4,133,000) and leasehold land (note 20) with a carrying amount of approximately RMB2,187,000 (2022: approximately RMB2,260,000) were pledged to banks as collateral for secured the bank borrowings.

39. RETIREMENT BENEFITS SCHEME

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of contribution of HK\$1,500 per employee and vest fully with employees when contributed into the MPF Scheme. Under the MPF Scheme, the employer and its employees and each required to make contribution to the MPF Scheme at 5% of the employees' relevant income subject to a cap of monthly relevant income of HK\$30,000. Contributions to MPF Scheme vest immediately.

The employees of the Group's subsidiary established in the PRC are members of a central pension scheme operated by the local municipal government. This subsidiary is required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of this subsidiary. The only obligation of this subsidiary with respect to the central pension scheme is to meet the required contributions under the scheme. The Group's employer contributions vest fully with the employees when contributed in the central pension scheme. The Group has no forfeiture of pension scheme contributions (i.e. contributions processed by the employer on behalf of the employee who has exited the scheme prior to vesting of such contributions.) As at 31 December 2023, no forfeited contribution under the Pension Scheme of the Group is available for deduction of contributions payable in coming years.

The total expenses recognised in profit or loss of RMB1,742,000 (2022: RMB1,665,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plan.

37. 資本承擔

本集團於二零二三年十二月三十一日並無重大資本承擔(二零二二年:無)。

38. 資產抵押

於二零二三年十二月三十一日,本集團賬面值約為人民幣3,777,000元(二零二二年:約人民幣4,133,000元)的投資物業(附註19)及賬面值約為人民幣2,187,000元(二零二二年:約人民幣2,260,000元)的租賃土地(附註20)已抵押予銀行作為取得銀行借款之抵押品。

39. 退休福利計劃

本集團根據香港強制性公積金計劃條例為香港所有合資格僱員設立強制性公積金計劃(「強積金計劃」)。本集團向強積金計劃之供款乃按照僱員薪金及工資之5%計算,每名僱員每月供款上限為1,500港元。當已向強積金計劃作出供款後,即盡歸僱員所有。根據強積金計劃,僱主及其僱員均須按僱員相關收入的5%向強積金計劃作出供款,惟受每月相關收入上限為30,000港元規限。向強積金計劃供款即時歸屬。

於中國成立之本集團附屬公司之僱員為地方市政府營運之中央退休金計劃成員。該附屬公司須按僱員基本薪金及工資之一定百分比向中央退休金計劃供款,作為退休福利之資金。地方市政府承諾承擔該附屬公司所有現有及未來退休僱員之退休福利責任。該附屬公司就中央退休金計劃之唯一責任是根據計劃作出所需供款。本集團的僱主供款於向中央退休金計劃供款時悉數歸屬於僱員。本集團並無沒收退休金計劃供款(即僱主代於供款歸屬前退出計劃的僱員進行供款)。於二零二三年十二月三十一日,本集團退休金計劃項下並無沒收供款可用以扣減未來年度的應付供款。

於損益確認的開支總額人民幣1,742,000元(二零二二年:人民幣1,665,000元)為本集團按計劃規則指定的費率應該等計劃的供款。

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綜合財務報表附註(續)

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40. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances as disclosed elsewhere in the consolidated financial statements, the Group entered into the following material transaction with related parties during the year.

Compensation of key management personnel

Compensation for key management personnel, including amount paid to the Group's directors and the senior executive is as follows:

Salaries and allowances	薪金及津貼
Employer contribution to pension scheme	僱主對退休金計劃之供款
Share based payment expenses	股份付款開支

41. SHARE OPTION SCHEME

The Company adopted the Scheme on 5 June 2015 which will remain in force for a period of 10 years from the effective date of the scheme and will expire on 4 June 2025.

Under the Scheme, the Directors may at their discretion grant options to the eligible participants, including but not limited to, any Directors (whether executive or non-executive and whether independent or not) and any employee (whether full time or part time) of the Group or any other person, who has contributed to the Group.

40. 重大關連方交易

除綜合財務報表內其他部份披露的交易及結餘外，年內本集團與關連方訂有以下重大交易。

主要管理人員之酬金

主要管理人員之酬金，包括已付本集團董事及高級行政人員金額如下：

	2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
	2,627	2,538
	56	42
	–	1,044
	2,683	3,624

41. 購股權計劃

本公司於二零一五年六月五日採納該計劃，該計劃自生效日期起十年內有效，而屆滿日期將為二零二五年六月四日。

根據該計劃，董事可酌情向合資格參與者授出購股權，包括但不限於任何董事（不論是執行或非執行及是否獨立）及本集團之任何僱員（不論是全職或兼職）或對本集團有貢獻之任何其他人士。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

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41. SHARE OPTION SCHEME (Continued)

The maximum number of shares in respect to which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company on the date of adopting the Scheme. The limit may be refreshed at any time provided that the new limit must not be in aggregate exceed 10% of the issued share capital of the Company at the date of the shareholders' approval in general meeting. However, the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the scheme and any other scheme of the company must not in aggregate exceed 30% of the shares in issue from time to time. At 31 December 2022, an aggregate of 29,460,000 share options granted under the Scheme remained outstanding, which represented approximately 16.8% of the issued share capital of the Company. The maximum number of shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing Rules. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

Options may be exercised at any time from the date of grant of the option to the 10th anniversary of the date of grant as may be determined by the Directors. The exercise price is determined by the Directors, and will not be less than the highest of (i) the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options; (ii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options; or (iii) the nominal value of a share.

During the year ended 31 December 2022, an aggregate of 16,700,000 share options were granted under the Scheme to the eligible participants and the closing price of the shares immediately before the date on which the options were granted was HK\$0.415. 7,900,000 share options were exercised and 60,000 share options were lapsed during the year ended 31 December 2022.

During the year ended 31 December 2023, 9,630,000 share options were lapsed. No share option was granted, exercised and cancelled during the year.

41. 購股權計劃(續)

根據該計劃授出之購股權獲行使時，可予發行之股份數目最多不超過本公司於採納該計劃當日之已發行股本10%。該上限可隨時更新，惟新限額合共不得超過股東於股東大會批准當日，本公司之已發行股本之10%。然而，根據該計劃及本公司任何其他計劃已授出但尚未行使之全部購股權獲行使時，可予發行之股份總數不得超過不時已發行股份之30%。於二零二二年十二月三十一日，根據該計劃授出的共計29,460,000份購股權未行使，佔本公司已發行股本約16.8%。於任何十二個月期間內，向任何個別人士授出之購股權獲行使時，可予發行之股份最高數目不得超過該十二個月期間最後一天本公司之已發行股份之1%，除非按照上市規則經由本公司股東批准則作別論。象徵式代價1港元須於接納授出購股權時支付。

購股權可於授出購股權日期起計，直至授出日期十週年的任何時間內行使，而期限由董事決定。行使價則由董事釐定，並將不會低於以下之最高者：(i) 於購股權授出日期股份在聯交所每日報價表所報之收市價；(ii) 緊接購股權授出日期前五個營業日股份在聯交所每日報價表所報之平均收市價；或(iii) 股份面值。

截至二零二二年十二月三十一日止年度，根據該計劃向合資格參與者授出合共16,700,000份購股權，緊接授出購股權日期前的股份收市價為0.415港元。截至二零二二年十二月三十一日止年度，7,900,000份購股權已行使，60,000份購股權已失效。

截至二零二三年十二月三十一日止年度，9,630,000份購股權已失效。年內，概無授出、行使或註銷購股權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

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41. SHARE OPTION SCHEME (Continued)

Details of the movements of the share options granted by the Company pursuant to the Share Option Scheme from the date of grant are as below:

At 31 December 2023

41. 購股權計劃(續)

本公司根據購股權計劃授出的購股權自授出日期起的變動詳情如下：

於二零二三年十二月三十一日

Date of grant	Exercise price HK\$	Outstanding at 1 January 2023	Movement during the period				Outstanding at 31 December 2023	Exercise period
			Granted	Exercised	Cancelled	Lapsed		
授出日期	行使價 港元	於二零二三年 一月一日 尚未行使	已授出	已行使	已註銷	已失效	於二零二三年 十二月三十一日 尚未行使	行使期
Category 1: 類別1: Directors 董事 Zhuang Yuejin 莊躍進								15 May 2020 to 14 May 2022 二零二零年五月十五日至 二零二二年五月十四日
13 May 2022 二零二二年五月十三日	0.433	1,670,000	-	-	-	-	1,670,000	13 May 2022 to 12 May 2024 二零二二年五月十三日至 二零二四年五月十二日
Wong Ho Yin (resigned on 18 October 2023) 黃浩然(於二零二三年 十月十八日辭任)								15 May 2020 to 14 May 2022 二零二零年五月十五日至 二零二二年五月十四日
13 May 2022 二零二二年五月十三日	0.433	1,670,000	-	-	-	(1,670,000)	-	13 May 2022 to 12 May 2024 二零二二年五月十三日至 二零二四年五月十二日
Xiao Suni 肖蘇妮								15 May 2020 to 14 May 2022 二零二零年五月十五日至 二零二二年五月十四日
13 May 2022 二零二二年五月十三日	0.433	1,670,000	-	-	-	-	1,670,000	13 May 2022 to 12 May 2024 二零二二年五月十三日至 二零二四年五月十二日
Total 總計		5,010,000	-	-	-	(1,670,000)	3,340,000	15 May 2020 to 14 May 2022 二零二零年五月十五日至 二零二二年五月十四日

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41. SHARE OPTION SCHEME (Continued)

At 31 December 2022

41. 購股權計劃(續)

於二零二二年十二月三十一日

	Date of grant 授出日期	Exercise price HK\$ 行使價 港元	Outstanding at 1 January 2022 於二零二二年 一月一日 尚未行使	Movement during the period 期內變動			Outstanding at 31 December 2022 於二零二二年 十二月三十一日 尚未行使	Exercise period 行使期	
				Granted 已授出	Exercised 已行使	Cancelled 已註銷			Lapsed 已失效
Category 1: 類別1: Directors 董事									
Zhuang Yuejin 莊躍進	15 May 2020 二零二零年五月十五日	0.425	796,000	-	(790,000)	-	(6,000)	-	15 May 2020 to 14 May 2022 二零二零年五月十五日至 二零二二年五月十四日
	13 May 2022 二零二二年五月十三日	0.433	-	1,670,000	-	-	-	1,670,000	13 May 2022 to 12 May 2024 二零二二年五月十三日至 二零二四年五月十二日
Wong Ho Yin 黃浩然	15 May 2020 二零二零年五月十五日	0.425	796,000	-	(790,000)	-	(6,000)	-	15 May 2020 to 14 May 2022 二零二零年五月十五日至 二零二二年五月十四日
	13 May 2022 二零二二年五月十三日	0.433	-	1,670,000	-	-	-	1,670,000	13 May 2022 to 12 May 2024 二零二二年五月十三日至 二零二四年五月十二日
Xiao Suni 肖蘇妮	15 May 2020 二零二零年五月十五日	0.425	796,000	-	(790,000)	-	(6,000)	-	15 May 2020 to 14 May 2022 二零二零年五月十五日至 二零二二年五月十四日
	13 May 2022 二零二二年五月十三日	0.433	-	1,670,000	-	-	-	1,670,000	13 May 2022 to 12 May 2024 二零二二年五月十三日至 二零二四年五月十二日
Zhu Chunyan 朱春燕	15 May 2020 二零二零年五月十五日	0.425	796,000	-	(790,000)	-	(6,000)	-	15 May 2020 to 14 May 2022 二零二零年五月十五日至 二零二二年五月十四日
Total 總計			3,184,000	5,010,000	(3,160,000)	-	(24,000)	5,010,000	

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41. SHARE OPTION SCHEME (Continued)

At 31 December 2023

41. 購股權計劃(續)

於二零二三年十二月三十一日

Date of grant	Exercise price HK\$	Outstanding at 1 January 2023 於二零二三年 一月一日 尚未行使	Movement during the period 期內變動				Outstanding at 31 December 2023 於二零二三年 十二月三十一日 尚未行使	Exercise period
			Granted	Exercised	Cancelled	Lapsed		
授出日期	行使價 港元		已授出	已行使	已註銷	已失效	行使期	
Category 2: 類別2: Employees 僱員								
4 April 2019 二零一九年四月四日	2.500	4,800,000	-	-	-	-	4 April 2019 to 3 April 2029 二零一九年四月四日至 二零二九年四月三日	
							15 May 2020 to 14 May 2022 二零二零年五月十五日至 二零二二年五月十四日	
12 May 2021 二零二一年五月十二日	0.690	7,960,000	-	-	-	(7,960,000)	12 May 2021 to 11 May 2023 二零二一年五月十二日至 二零二三年五月十一日	
13 May 2022 二零二二年五月十三日	0.433	11,690,000	-	-	-	-	13 May 2022 to 12 May 2024 二零二二年五月十三日至 二零二四年五月十二日	
Total 總計		24,450,000	-	-	-	(7,960,000)	16,490,000	
Total 總計		29,460,000	-	-	-	(9,630,000)	19,830,000	

At 31 December 2022

於二零二二年十二月三十一日

Date of grant	Exercise price HK\$	Outstanding at 1 January 2022 於二零二二年 一月一日 尚未行使	Movement during the period 期內變動				Outstanding at 31 December 2022 於二零二二年 十二月三十一日 尚未行使	Exercise period
			Granted	Exercised	Cancelled	Lapsed		
授出日期	行使價 港元		已授出	已行使	已註銷	已失效	行使期	
Category 2: 類別2: Employees 僱員								
4 April 2019 二零一九年四月四日	2.500	4,800,000	-	-	-	-	4 April 2019 to 3 April 2029 二零一九年四月四日至 二零二九年四月三日	
15 May 2020 二零二零年五月十五日	0.425	4,776,000	-	(4,740,000)	-	(36,000)	15 May 2020 to 14 May 2022 二零二零年五月十五日至 二零二二年五月十四日	
12 May 2021 二零二一年五月十二日	0.690	7,960,000	-	-	-	-	12 May 2021 to 11 May 2023 二零二一年五月十二日至 二零二三年五月十一日	
13 May 2022 二零二二年五月十三日	0.433	-	11,690,000	-	-	-	13 May 2022 to 12 May 2024 二零二二年五月十三日至 二零二四年五月十二日	
Total 總計		17,536,000	11,690,000	(4,740,000)	-	(36,000)	24,450,000	
Total 總計		20,720,000	16,700,000	(7,900,000)	-	(60,000)	29,460,000	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

41. SHARE OPTION SCHEME (Continued)

The fair value of share options were calculated using the Binomial Model. The inputs into the model were as follows:

Date of grant	授出日期
Grant date share price	授出日期的股份價格
Exercise price before Share Consolidation	股份合併前的行使價
Exercise price after Share Consolidation	股份合併後的行使價
Expected volatility	預期波幅
Expected life	預期年限
Risk-free rate	無風險利率
Expected dividend yield	預期股息收益率

During the year ended 31 December 2023, the equity-settled share-based payment expense recognised in profit or loss was approximately nil (2022: RMB3,008,000).

41. 購股權計劃(續)

購股權的公平值使用二項式模型計算。模型計入的輸入參數如下：

2019.04.09 二零一九年 四月九日	2022.05.13 二零二二年 五月十三日
HKD0.067港元	HKD0.415港元
HKD0.1港元	HKD0.433港元
HKD0.5港元	HKD0.433港元
75.596%	141.378%
10 years年	2 years年
1.559%	2.330%
0%	0%

截至二零二三年十二月三十一日止年度，於損益確認的以權益結算並以股份為基礎支付的開支約為零(二零二二年：人民幣3,008,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

42. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

42. 本公司財務狀況表之資料

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
ASSETS	資產		
Non-current asset	非流動資產		
Investments in subsidiaries	於附屬公司的投資	18,760	18,760
Current assets	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	1,648	1,604
Amounts due from subsidiaries (note (a))	應收附屬公司款項(附註(a))	71,224	72,210
Cash and bank balances	現金及銀行結餘	393	108
		73,265	73,922
Total assets	資產總額	92,025	92,682
EQUITY	權益		
Capital and reserves attributable to the owners of the Company	本公司擁有人應佔資本及儲備		
Share capital	股本	3,643	3,643
Reserves (note (b))	儲備(附註(b))	87,835	88,326
Total equity	權益總額	91,478	91,969

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

42. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

42. 本公司財務狀況表之資料(續)

		2023 二零二三年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元
Current liabilities	流動負債		
Accruals and other payables	應計費用及其他應付款項	547	713
Total liabilities	負債總額	547	713
Total equity and liabilities	權益及負債總額	92,025	92,682
Net current assets	流動資產淨額	72,718	73,209
Total assets less current liabilities	總資產減流動負債	91,478	91,969
Net assets	資產淨額	91,478	91,969

Approved by the Board of Directors on 31 March 2024 and signed on its behalf by:

於二零二四年三月三十一日由董事會批准並由下列人士代表簽署：

Zhuang Yuejin
莊躍進
Director
董事

Ng Chung Ho
伍忠豪
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

42. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes:

- (a) The amounts due from subsidiaries are non-trade nature, unsecured, interest-free and recoverable on demand.
- (b) Movement of the Company's reserves.

42. 本公司財務狀況表之資料(續)

附註：

- (a) 應收附屬公司款項為非貿易性質、無抵押、免息及按要求收回。
- (b) 本公司儲備之變動。

		Share premium	Contributed surplus	Foreign currency translation reserve	Share option reserve	Accumulated losses	Total
		RMB'000	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	人民幣千元
		(note 29)	(note 29)	(note 29)	(note 41)		
		(附註29)	(附註29)	(附註29)	(附註41)		
At 1 January 2022	於二零二二年一月一日	322,051	17,219	18,320	6,086	(282,021)	81,655
Loss for the year	年度虧損	-	-	-	-	(4,783)	(4,783)
Other comprehensive income for the year	年度其他全面收益	-	-	5,771	-	-	5,771
Total comprehensive income/ (expense) for the year	年度全面收益/(開支)總額	-	-	5,771	-	(4,783)	988
Share-based payment expenses	股份付款開支	-	-	-	3,008	-	3,008
Exercise of share options	行使購股權	3,594	-	-	(919)	-	2,675
Lapse of share options	購股權失效	-	-	-	(7)	7	-
At 31 December 2022 and 1 January 2023	於二零二二年十二月三十一日及二零二三年一月一日	325,645	17,219	24,091	8,168	(286,797)	88,326
Loss for the year	年度虧損	-	-	-	-	(2,477)	(2,477)
Other comprehensive income for the year	年度其他全面收益	-	-	1,986	-	-	1,986
Total comprehensive income/ (expense) for the year	年度全面收益/(開支)總額	-	-	1,986	-	(2,477)	(491)
Lapse of share options	購股權失效	-	-	-	(301)	301	-
At 31 December 2023	於二零二三年十二月三十一日	325,645	17,219	26,077	7,867	(288,973)	87,835

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

43. NON-CASH TRANSACTION

There was no non-cash transaction during the year ended 31 December 2023.

During the year ended 31 December 2022, the equity-settled share-based payment expense recognised in profit or loss was approximately RMB3,008,000.

During the year ended 31 December 2022, the Group had non-cash additions to right-of-use assets and lease liabilities of approximately RMB5,195,000 and approximately RMB5,195,000, respectively in respect of lease arrangements for office premises and factories.

44. DECONSOLIDATION OF SUBSIDIARIES

The Group acquired Loyal Brands International Limited and its subsidiaries, including Grand York Limited, Giant Faith Holdings Limited, 深圳文嘉勝商貿有限公司 and 深圳隆信堂食品有限公司("Loyal Brands Group"), in May 2017. Loyal Brands Group principally engaged in trading of food products.

In or around November 2023, the board of directors of the Company (the "Board") was informed by Mr. Wong Ho Yin, the former director of the Company who resigned as the executive director of the Company on 18 October 2023, that the business and accounting records of Loyal Brands Group, including but not limited to sales invoice, purchase invoice, accounting ledger and vouchers, were unable to locate. The Board has also tried to contact the person-in-charge of Loyal Brands Group (the "Responsible Staff") through Mr. Wong Ho Yin, but he was unable to (i) contact the Responsible Staff and (ii) obtain the accounting books and records of Loyal Brands Group.

On 27 December 2023, Mr. Ng Chung Ho was appointed as an executive director of the Company. Mr. Ng Chung Ho had thoroughly searched all the files and documents kept in the office in Hong Kong and was unable to locate any business and accounting records of Loyal Brands Group. Mr. Ng Chung Ho also tried to contact the Responsible Staff but unable to obtain positive response and cooperation. Mr. Ng Chung Ho further contacted the director of Loyal Brands Group but the director of Loyal Brands Group replied that he did not have any accounting books and records of Loyal Brands Group.

As the business of trading of food products which operated by Loyal Brands Group was not significant to the Group and no relevant personnel within the Group is able to resume the business, the Board has decided to dispose of Loyal Brands Group to reduce the financial and compliance risk of the Group. On 14 March 2024, the Group disposed of Loyal Brands Group with the cash consideration of HK\$1 million to an independent third party.

43. 非現金交易

截至二零二三年十二月三十一日止年度，概無非現金交易。

截至二零二二年十二月三十一日止年度，於損益確認的以權益結算並以股份為基礎支付的開支約人民幣3,008,000元。

截至二零二二年十二月三十一日止年度，本集團有關辦公室物業及廠房的租賃安排的使用權資產及租賃負債之非現金增加分別為約人民幣5,195,000元及約人民幣5,195,000元。

44. 終止綜合入賬附屬公司

本集團於二零一七年五月收購 Loyal Brands International Limited 及其附屬公司，包括 Grand York Limited、Giant Faith Holdings Limited、深圳文嘉勝商貿有限公司及深圳隆信堂食品有限公司（「Loyal Brands 集團」）。Loyal Brands 集團主要從事食品買賣。

於二零二三年十一月或前後，本公司董事會（「董事會」）獲本公司前董事黃浩然先生（彼於二零二三年十月十八日辭任本公司執行董事）告知，未能找到 Loyal Brands 集團的業務及會計記錄，包括但不限於銷售發票、採購發票、會計台賬及憑證。董事會亦已嘗試透過黃浩然先生聯絡 Loyal Brands 集團的負責人（「負責人員」），但彼無法(i)聯繫負責人員及(ii)取得 Loyal Brands 集團的會計賬簿及記錄。

於二零二三年十二月二十七日，伍忠豪先生獲委任為本公司執行董事。伍忠豪先生已徹底搜索香港辦事處保存的所有文檔及文件，但並未找到 Loyal Brands 集團的任何業務及會計記錄。伍忠豪先生亦嘗試聯繫負責人員，但無法獲得正面回應及合作。伍忠豪先生進一步聯絡到 Loyal Brands 集團的董事，但 Loyal Brands 集團的董事回覆稱，彼並無 Loyal Brands 集團的任何會計賬簿及記錄。

由於 Loyal Brands 集團經營的食品買賣業務對本集團而言並不重大，且本集團內並無相關人員能夠恢復該業務，董事會已決定出售 Loyal Brands 集團，以降低本集團的財務及合規風險。於二零二四年三月十四日，本集團以現金代價1百萬港元向一名獨立第三方出售 Loyal Brands 集團。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

綜合財務報表附註(續)

For the year ended 31 December 2023

截至二零二三年十二月三十一日止年度

44. DECONSOLIDATION OF SUBSIDIARIES (Continued)

In light of the above circumstances, the Group considered it had lost control over Loyal Brands Group and had excluded the consolidated financial position of Loyal Brands Group as at and after and the results and cash flows of Loyal Brands Group since 1 January 2023 from the consolidated financial statements of the Group for the year ended 31 December 2023 (the "Deconsolidation").

Regarding to the Deconsolidation, the Group will perform the investigation and may take legal action against the wrongdoer(s), if any, for the loss suffered by the incident.

The following set out the financial impact on the Deconsolidation of Loyal Brands Group:

Right-of-use assets
Trade and bill receivables
Prepayments, deposits and other receivables
Cash and bank balances
Trade payables
Accruals and other payables
Contract liabilities
Lease liabilities
Tax payable

使用權資產
應收貿易款項及票據
預付款項、按金及其他應收款項
現金及銀行結餘
應付貿易款項
應計費用及其他應付款項
合約負債
租賃負債
應付稅項

RMB'000
人民幣千元

Net liabilities of Loyal Brands Group
Cumulative exchange reserve
Amount due from Loyal Brands Group
to the Group (note)

Loyal Brands集團的負債淨額
累計匯兌儲備
本集團應收Loyal Brands集團款項(附註)

Loss on Deconsolidation (note 10)

終止綜合入賬之虧損(附註10)

Net cash outflow from deconsolidation of subsidiaries

終止綜合入賬附屬公司產生的
現金流出淨額

Cash and bank balances

現金及銀行結餘

237
7,824
165
61
(174)
(7,701)
(798)
(243)
(586)

(1,215)
62
7,623

6,470

(61)

Note: As at 31 December 2023, the Group has an amount due from Loyal Brands Group, net of approximately RMB7,623,000. Due to the loss of control over Loyal Brands Group, an impairment loss of RMB7,623,000 had been provided for as loss on Deconsolidation of subsidiaries in the consolidated financial statements for the year ended 31 December 2023.

附註：於二零二三年十二月三十一日，本集團應收Loyal Brands集團款項淨額約為人民幣7,623,000元。由於失去對Loyal Brands集團的控制權，已計提減值虧損人民幣7,623,000元，於截至二零二三年十二月三十一日止年度的綜合財務報表中作為終止綜合入賬附屬公司之虧損。

45. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 31 March 2024.

44. 終止綜合入賬附屬公司(續)

鑑於上述情況，本集團認為其已失去對Loyal Brands集團的控制權，並已將Loyal Brands集團於二零二三年一月一日及之後的綜合財務狀況以及Loyal Brands集團自該日期以來的業績及現金流量從本集團截至二零二三年十二月三十一日止年度的綜合財務報表中剔除(「終止綜合入賬」)。

就終止綜合入賬而言，本集團將就該事件造成的損失展開調查並可能對違法人員(如有)採取法律行動。

下表載列終止綜合入賬Loyal Brands集團的財務影響：

45. 授權刊發綜合財務報表

綜合財務報表已於二零二四年三月三十一日獲董事會批准及授權刊發。

SUMMARY OF FINANCIAL INFORMATION

財務資料概要

The following is a summary of the published results and of the assets and liabilities of the group prepared on the bases set out in the note below:

以下為本集團按下列附註所載基準編製之已刊發業績與資產及負債概要：

		Year ended 31 December 截至十二月三十一日止年度				
		2019 二零一九年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Revenue	收入	260,896	141,626	181,701	184,036	113,673
Gross profit	毛利	23,940	13,485	24,039	19,486	30,795
(Loss)/profit before tax	除稅前(虧損) ／溢利	(31,482)	(6,286)	(175)	(78,470)	34,347
(Loss)/profit for the year attributable to owners of the Company	本公司擁有人應佔年度(虧損) ／溢利	(30,176)	(3,890)	(410)	(78,558)	30,031
Basic (loss)/earnings per share (RMB cents)	每股基本(虧損) ／盈利(人民幣分)	(37.9)	(4.6)	(0.29)	(45.56)	17.15
		As at 31 December 於十二月三十一日				
		2019 二零一九年 RMB'000 人民幣千元	2020 二零二零年 RMB'000 人民幣千元	2021 二零二一年 RMB'000 人民幣千元	2022 二零二二年 RMB'000 人民幣千元	2023 二零二三年 RMB'000 人民幣千元
Non-current assets	非流動資產	71,503	70,590	65,321	51,790	93,139
Current assets	流動資產	251,059	244,714	278,521	255,427	172,295
Current liabilities	流動負債	143,187	135,513	151,954	180,943	110,690
Non-current liabilities	非流動負債	3,262	3,727	2,180	4,608	2,552
Net assets	淨資產	176,113	176,064	189,708	121,666	152,192



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