



HOP FUNG GROUP

合豐集團控股有限公司

HOP FUNG GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 2320

ANNUAL
REPORT
2023 年報



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Hui Sum Ping (*Chairman*)
Mr. Hui Sum Tai (*Chief Executive Officer*)

Independent Non-Executive Directors

Mr. Tso Sze Wai
Mr. Wong Chu Leung
Mr. Chau Suk Ming

AUDIT COMMITTEE

Mr. Tso Sze Wai (*Chairman*)
Mr. Wong Chu Leung
Mr. Chau Suk Ming

REMUNERATION COMMITTEE

Mr. Tso Sze Wai (*Chairman*)
Mr. Wong Chu Leung
Mr. Chau Suk Ming

NOMINATION COMMITTEE

Mr. Tso Sze Wai (*Chairman*)
Mr. Wong Chu Leung
Mr. Chau Suk Ming

AUTHORISED REPRESENTATIVES

Mr. Hui Sum Tai
Mr. Chan Wai Man (appointed on 19 March 2024)
Mr. Wong Ming Chun (removed on 19 March 2024)

COMPANY SECRETARY

Mr. Chan Wai Man (appointed on 19 March 2024)
Mr. Wong Ming Chun (removed on 19 March 2024)

AUDITOR

ZHONGHUI ANDA CPA Limited

董事會

執行董事

許森平先生 (*主席*)
許森泰先生 (*行政總裁*)

獨立非執行董事

曹思維先生
黃珠亮先生
周淑明先生

審核委員會

曹思維先生 (*主席*)
黃珠亮先生
周淑明先生

薪酬委員會

曹思維先生 (*主席*)
黃珠亮先生
周淑明先生

提名委員會

曹思維先生 (*主席*)
黃珠亮先生
周淑明先生

授權代表

許森泰先生
陳偉民先生 (於二零二四年三月十九日獲委任)
王名俊先生 (於二零二四年三月十九日被罷免)

公司秘書

陳偉民先生 (於二零二四年三月十九日獲委任)
王名俊先生 (於二零二四年三月十九日被罷免)

核數師

中匯安達會計師事務所有限公司

CORPORATE INFORMATION

公司資料

HONG KONG OFFICE

Workshops E, F and H, 22nd Floor
Superluck Industrial Centre (Phase 2)
No. 57 Sha Tsui Road and
Nos. 30–38 Tai Chung Road, Tsuen Wan
New Territories
Hong Kong

REGISTERED OFFICE

Third Floor, Century Yard
Cricket Square
P.O. Box 902
Grand Cayman KY1-1103
Cayman Islands

SHARE REGISTRARS AND TRANSFER AGENTS

Principal share registrar and transfer agent in the Cayman Islands

Tricor Services (Cayman Islands) Limited
Third Floor, Century Yard
Cricket Square
P.O. Box 902
Grand Cayman KY1-1103
Cayman Islands

Branch share registrar and transfer agent in Hong Kong

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

PRINCIPAL BANKERS

Standard Chartered Bank
DBS Bank (Hong Kong) Limited
Agricultural Bank of China Limited
Bank of China Limited

STOCK CODE

2320

WEBSITE

www.hopfunggroup.com

香港辦事處

香港
新界
荃灣沙咀道57號及
大涌道30–38號
荃運工業中心(第二期)
22樓E、F及H座

註冊辦事處

Third Floor, Century Yard
Cricket Square
P.O. Box 902
Grand Cayman KY1-1103
Cayman Islands

股份過戶登記處

開曼群島主要股份過戶登記處

Tricor Services (Cayman Islands) Limited
Third Floor, Century Yard
Cricket Square
P.O. Box 902
Grand Cayman KY1-1103
Cayman Islands

股份過戶登記處香港分處

卓佳雅柏勤有限公司
香港
夏慤道16號
遠東金融中心17樓

主要往來銀行

渣打銀行
星展銀行(香港)有限公司
中國農業銀行股份有限公司
中國銀行股份有限公司

股份代號

2320

網址

www.hopfunggroup.com

CHAIRMAN'S STATEMENT

主席報告

On behalf of the board of directors (the "Board" or "Directors"), I am pleased to present the 2023 full year results to the shareholders of Hop Fung Group Holdings Limited (the "Company", and including subsidiaries, the "Group" or "we").

In 2023, under various market uncertainties and challenges, such as global geo-political tension and slowdown of China's economy, the demand for corrugated packaging paper remained weak in post-pandemic era. Due to slower than expected recovery of domestic demand and export in Mainland China, together with pessimistic economy sentiment in the globe, the Group continued to face challenges and difficulties in recovering its profitability to the pre-pandemic level.

The revenue of the Group's corrugated packaging business relies mainly on Chinese domestic sales. With sluggish post-pandemic economic recovery in Mainland China and shrinking domestic demand in the corrugated paper industry, the Group's revenue kept declining compared with year 2022.

Since October 2021, due to the consideration of the environmental policies by the local government, the Group's upstream containerboard business has been temporarily suspended. Currently, the Group strives to communicate with the local government to speed up the annual inspection procedures of the licenses for the coal-fuel boilers. Meanwhile, pursuant to the environmental policies of the local government, the Group has also carried out the project to change its boilers from coal-fuel boilers to gas-fuel boilers. The progress of the project is still ongoing. At the same time, in order to ensure stable supply of containerboard for the Group's downstream corrugated packaging business, the Group could purchase containerboard from third party suppliers.

The Group recorded a loss in 2023, compared to a more substantial loss in 2022 due to lower gross profit margin and higher expenses recognised for the financial year ended 31 December 2022. The Group has taken effort to maintain a roster of quality clients and strengthen the credit control management. As a result, the Group continued with its track record of close to "zero" bad or doubtful debts and the Group maintained low bank borrowings level at the end of the financial year.

本人謹代表董事會（「董事會」或「董事」）欣然向各位股東提呈合豐集團控股有限公司（「本公司」，連同其附屬公司，統稱「本集團」、「集團」或「我們」）的二零二三年度全年業績報告。

二零二三年，在全球地緣政治緊張、中國經濟放緩等市場不確定性與挑戰下，瓦楞包裝紙需求在後疫情時代下依然疲軟。由於中國內地需求及出口復甦慢於預期，加上全球經濟情緒悲觀，本集團要恢復至疫情前水平的獲利能力，仍面臨挑戰及困難。

本集團瓦楞包裝業務的收入主要依賴中國國內銷售，由於中國內地疫情後經濟復甦乏力以及瓦楞紙行業需求萎縮，本集團收入較二零二二年持續下滑。

自二零二一年十月起，因當地政府環保政策考慮，本集團上游箱板紙業務暫時停產。目前，本集團正努力與當地政府溝通，並加快燃煤鍋爐許可證年檢程序，同時，根據當地的環保政策，本集團也進行了燃煤鍋爐改燃氣鍋爐的項目。此項目仍在進行中。同時，本集團可向第三方採購箱板紙以確保本集團下游瓦楞包裝業務原材料的穩定供應。

本集團在二零二三年度錄得虧損，相較於二零二二年度錄得更重大虧損是由於截至二零二二年十二月三十一日止財政年度之毛利率較低和錄得較高的支出，本集團已努力維持優質客戶名冊及加強信貸控制管理，因此，本集團繼續保持接近「零」呆壞賬的記錄，而本集團於財政年度末維持低銀行借貸水平。

CHAIRMAN'S STATEMENT 主席報告

During the year, given the geographical tension and fierce market competition in the industry, the Directors decided to postpone the process of installing a pulp production line at the manufacturing plant in the Philippines and are expected to resume progress between 2024 and 2025.

Looking forward, we expect the business environment of the corrugated packaging industry remained challenging with tensing geo-political relationship and sluggish global and domestic demand in post-pandemic era. However, the Group will maintain good capital management and low debt levels, in order to have greater flexibility to cope with market volatility and seize opportunities to further enhance the operational efficiency for its long-term sustainable development.

Lastly, I would like to take this opportunity to thank our management team and staff, express my gratitude for their solidarity in facing adversities and various challenges, and thank our customers, suppliers, bankers and investors for their support over the years. We will continue to strive to deliver better returns to our shareholders.

Hui Sum Ping
Chairman
28 March 2024

年內，鑑於地緣政治局勢緊張及行業市場競爭激烈，董事決定延遲於菲律賓生產工廠安裝紙漿生產線之進程，並預計將於二零二四年至二零二五年期間恢復進展。

展望未來，我們預計，由於在後疫情時代下，地緣政治關係緊張以及全球和國內需求低迷，瓦楞包裝行業的商業環境仍然充滿挑戰。然而，本集團將維持良好的資本管理和低債務水平，以更大的靈活性來應對市場波動，並抓住機會進一步提升營運效率，實現長遠持續發展。

最後，我想藉此機會感謝我們的管理團隊和員工，感謝他們在逆境和各種挑戰中團結一致，感謝我們的客戶、供應商、銀行家和投資者多年來的支持。我們將繼續努力為我們的股東提供更好的回報。

主席
許森平
二零二四年三月二十八日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

In the first half of 2023, dragged by various unfavorable factors such as weak economic activities and low customer sentiment after pandemic in Mainland China, the Group's average selling price and sales volume decreased, and revenue decreased by 56.1% compared with the first half of 2022. In the second half of 2023, the Group's revenue in the second half of the year increased by 11.2% compared with the first half of the year, and decreased by 35.3% compared with the second half of 2022 and total revenue decreased 47.1% for the year.

Since October 2021, the Group's upstream containerboard business has been temporarily suspended. Currently, the Group continues to coordinate with the local government for the annual inspection procedures of the licenses for the coal-fuel boilers. At the same time, the Group has carried out the project to change its boilers from coal-fuel boilers to gas-fuel boilers pursuant to the environmental policies of the local government. To ensure stable supply for the Group's downstream corrugated packaging business, the Group purchases containerboard from third party suppliers. There was no external revenue from upstream business in both 2023 and 2022.

Against the backdrop of high level of inflation and interest rate around the globe, the costs of containerboard, which is the Group's main raw materials costs, put high pressure on the Group. However, the Group is able to pass on part of the rising containerboard costs to customers. As a result, the gross profit margin has improved in 2023 compared with last year. Apart from this, the Group has taken effort to strengthen the cost control management and efficiency enhancement. Therefore, the Group has recorded lower operating losses in 2023.

業務回顧

於二零二三年上半年，受中國大陸經濟活動疲弱、疫情後消費者情緒低迷等多種不利因素拖累，本集團平均售價及銷量均下降，收益較二零二二年上半年減少56.1%。於二零二三年下半年，集團下半年收益較上半年增加11.2%，較二零二二年下半年下跌35.3%，今年總收益下跌47.1%。

自二零二一年十月起，集團上游箱板紙業務暫時停產。目前，本集團持續與地方政府協調辦理燃煤鍋爐許可證年檢手續。同時，本集團已根據地方政府環保政策進行燃煤鍋爐改燃氣鍋爐項目。為確保本集團下游瓦楞包裝業務的穩定供應，本集團向第三方供應商採購箱板紙。二零二三年及二零二二年均無上游業務的對外收入。

在全球通脹及利率高企的背景下，作為本集團主要原材料成本的箱板紙成本給本集團帶來較大壓力，然而，本集團能夠將部分上漲的箱板紙成本轉嫁給客戶，因此，二零二三年毛利率較去年有所改善。除此之外，本集團也致力加強成本控制管理和效率提升，以致在二零二三年，本集團錄得較低的經營虧損。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Operating results

The Group recorded a decrease of HK\$200 million in revenue in 2023, representing a fall of 47.1% from HK\$424.4 million in 2022 to HK\$224.4 million in 2023. The drop in revenue was mainly attributed to the decline in sales volume resulting from the temporary suspension of production of Green Forest (QingXin) Paper Industrial Limited, a wholly-owned subsidiary of the Company. The closure of a factory in China led to a decrease in sales volume of downstream business and decrease in revenue.

Cost of sales dropped from HK\$417.0 million in 2022 to HK\$210.4 million in 2023. The decrease in cost of sales was in line with decrease in revenue.

Gross profit from HK\$7.4 million in 2022 increased to HK\$13.9 million in 2023. Gross profit margin changed from 1.7% to gross profit margin of 6.2%. The increase in gross profit margin was mainly due to decrease in the cost of materials outweighing the decrease in revenue. Implementation of effective cost control measures also contributed to the increase in gross profit margin.

Other income decreased from HK\$10.9 million in 2022 to HK\$6.7 million in 2023. Such decrease was mainly attributed to less bank interest income and service income.

Other gains and losses changed from losses of HK\$4.3 million in 2022 to gain of HK\$4.5 million in 2023. The increase was mainly due to the written off of accruals and payables of HK\$20.9 million and impairment loss on the deposit paid for the acquisition of property, plant and machinery of HK\$15.7 million.

Selling and distribution costs reduced by 33.6% from HK\$18.8 million in 2022 to HK\$12.5 million in 2023. The decrease was in line with decrease in revenue.

Administrative expenses decreased by 48.0% from HK\$90.5 million in 2022 to HK\$47.0 million in 2023. Such decrease was due to the closure of the factory in China and was in line with decrease in revenue.

Other expenses decreased from HK\$90.0 million in 2022 to HK\$62.4 million in 2023. Such decrease was attributed to value-added tax payments of HK\$23.6 million paid in 2022 and there was no value-added tax payment in 2023.

財務回顧

經營業績

本集團於二零二三年錄得之收益減少200,000,000港元，由二零二二年之424,400,000港元減少47.1%至二零二三年之224,400,000港元。收益減少主要由於本公司全資附屬公司森葉(清新)紙業有限公司暫時停產導致銷量下跌所致。關閉中國一間廠房導致下游業務的銷量下跌及收入減少。

銷售成本由二零二二年之417,000,000港元下跌至二零二三年之210,400,000港元。銷售成本之跌幅與收益之跌幅相符。

毛利由二零二二年之7,400,000港元增加至二零二三年之毛利13,900,000港元。毛利率由1.7%變動為毛利率6.2%。毛利率增加主要由於材料成本之減幅超過收益之跌幅。實施有效的成本控制措施亦帶動毛利率增加。

其他收入由二零二二年之10,900,000港元減少至二零二三年之6,700,000港元。有關減少主要由於銀行利息收入及服務收入減少。

其他收益及虧損由二零二二年之虧損4,300,000港元變動至二零二三年之收益4,500,000港元，錄得增加主要由於撤銷應計費用及應付款項20,900,000港元以及收購物業、廠房及機器之已付按金之減值虧損15,700,000港元所致。

銷售及分銷成本由二零二二年之18,800,000港元減少33.6%至二零二三年之12,500,000港元。有關減少與收益減幅一致。

行政開支由二零二二年之90,500,000港元減少48.0%至二零二三年之47,000,000港元。有關減少乃由於關閉中國之廠房，與收益減幅一致。

其他開支由二零二二年之90,000,000港元減少至二零二三年之62,400,000港元。有關減少乃由於二零二二年已付增值稅23,600,000港元，而於二零二三年並無增值稅付款。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Finance costs decreased from HK\$6.2 million in 2022 to HK\$3.6 million in 2023. The decrease was owing to lower borrowing level in 2023.

In 2023, HK\$0.3 million was charged to income tax expenses, representing Hong Kong Profits Tax charge of HK\$0.4 million and deferred tax credit of HK\$0.02 million.

Loss for the year of HK\$192.7 million was recorded in 2022 while loss for the year of HK\$100.8 million was recorded in 2023, representing a decrease in loss by HK\$91.9 million. Net loss margin decreased from 45.4% to 44.9%.

Liquidity, financial and capital resources

As at 31 December 2023, the Group's bank balances and cash were HK\$47.3 million (31 December 2022: HK\$110.8 million), mostly denominated in Renminbi.

Bank borrowings were decreased from HK\$98.1 million at 31 December 2022 to HK\$72.8 million at 31 December 2023.

As at 31 December 2023, the current bank borrowings increased by HK\$50.7 million while non-current bank borrowings fell by HK\$76.0 million. The group recorded a net borrowings level (net of bank balances and cash less total bank borrowings) of HK\$25.6 million (31 December 2022: net cash level HK\$12.7 million). Gearing ratio (total bank borrowings to total equity) and net gearing ratio (net balance of total bank borrowings less bank balances and cash to equity) were 8.6% and 3.0% respectively (31 December 2022: 10.2% and -1.3% respectively).

As at 31 December 2023, net current liabilities (2022: net current assets) and current ratio of the Group were HK\$24.1 million (31 December 2022: HK\$85.7 million) and 0.84 (31 December 2022: 1.7) respectively. This was mainly due to a bank loan of HK\$52.4 million which would be fully repaid in 2024.

In 2023, the Group spent HK\$8.5 million on capital expenditures for property, plant and equipment in China.

Debtors, creditors and inventory turnover were 62 days (2022: 43 days), 52 days (2022: 40 days) and 46 days (2022: 69 days) respectively.

財務成本由二零二二年之6,200,000港元減少至二零二三年之3,600,000港元，主要由於二零二三年之借貸水平較低所致。

於二零二三年，300,000港元已計入所得稅開支，即香港利得稅支出400,000港元及遞延稅項抵免20,000港元。

二零二二年錄得年度虧損192,700,000港元，而二零二三年則錄得年度虧損100,800,000港元，虧損減少91,900,000港元。淨虧損率由45.4%減少至44.9%。

流動資金、財務及資本資源

於二零二三年十二月三十一日，本集團之銀行結餘及現金為47,300,000港元（二零二二年十二月三十一日：110,800,000港元），大部份以人民幣計值。

銀行借貸由二零二二年十二月三十一日之98,100,000港元減少至二零二三年十二月三十一日之72,800,000港元。

於二零二三年十二月三十一日，即期銀行借貸增加50,700,000港元，而非即期銀行借貸減少76,000,000港元。本集團錄得淨借貸（銀行結餘及現金減銀行借貸總額之淨額）為25,600,000港元（二零二二年十二月三十一日：淨現金12,700,000港元）。資產負債率（銀行借款總額與權益總額之比）及淨資產負債率（銀行借款總額減銀行結餘及現金之淨結餘與權益之比）分別為8.6%及3.0%（二零二二年十二月三十一日：分別為10.2%及-1.3%）。

於二零二三年十二月三十一日，本集團之流動負債淨額（二零二二年：流動資產淨額）及流動比率分別為24,100,000港元（二零二二年十二月三十一日：85,700,000港元）及0.84（二零二二年十二月三十一日：1.7），主要由於一筆銀行貸款52,400,000港元，有關貸款將於二零二四年全數償還。

於二零二三年，本集團用於中國物業、廠房及設備之資本開支為8,500,000港元。

應收賬款、應付賬款及存貨周轉率分別為62日（二零二二年：43日）、52日（二零二二年：40日）及46日（二零二二年：69日）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Contingent liabilities

The details of the contingent liabilities of the Group as at 31 December 2023 are set out in Note 30 to the consolidated financial statements in this annual report.

OUTLOOK

Although the global economy has been gradually rebounding after the outbreak of the COVID-19 pandemic, the business environment of the corrugated packaging industry was still challenging as the pace of economic recovery from the COVID-19 pandemic was slower than expected with tensing geo-political relationship and deepening slump in China's property market.

Going forward, the Group will strive to maintain low debt levels and healthy balance sheet position to achieve good capital management. In respect of business development, the Group will complete the annual inspection procedures for the boilers license and resume production for upstream business and this will make the Group enjoy competitive advantage in vertical integration. The Group will also focus on the key strategies of price rising power, raising production efficiency and reduction on raw material wastage to realize a turnaround from loss to profit in foreseeable future.

HUMAN RESOURCES

As at 31 December 2023, the Group employed a total workforce of around 246 full time staff (2022: 360). Competitive remuneration packages were offered to employees. The Group may also grant share options and discretionary bonuses to eligible employees based on the performance of the Group and individuals.

或有負債

本集團於二零二三年十二月三十一日的或有負債詳情載於本年報綜合財務報表附註30。

展望

儘管全球經濟在新型冠狀病毒疫情爆發後逐漸反彈，但瓦楞包裝行業的商業環境仍然充滿挑戰，在地緣政治關係緊張以及中國房地產市場的進一步下滑情況下，經濟從新型冠狀病毒疫情後復甦的步伐比預期要慢。

展望未來，本集團將致力於維持低負債水平及健康的資產負債表狀況，以達到良好的資本管理。業務發展方面，本集團將完成鍋爐許可證年檢手續並恢復上游業務的生產，這將使本集團享有垂直整合的競爭優勢。本集團亦將圍繞提價能力、提高生產效率、減少原料浪費等關鍵策略，在可預見的未來實現轉虧為盈。

人力資源

於二零二三年十二月三十一日，本集團僱用總共約246名全職員工（二零二二年：360名）。本集團向僱員提供具競爭力之薪酬方案。本集團可能亦會授出購股權及酌情花紅予合資格僱員，授出之基準按本集團及個人之表現而釐定。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

SUPPLEMENTARY INFORMATION REGARDING THE QUALIFIED OPINION

The Company's view and position as to the Audit Qualification

The qualified opinion as disclosed in the independent auditor's report for the year ended 31 December 2023 ("Audit Qualification") is relating to uncertainties arising from assessment on whether relevant tax payment amounts should be provided concerning the Decisions and the Tax Matter Notice (as defined in note 30 of the consolidated financial statements).

The information and explanations requested by the auditor of the Company in relation to the Audit Qualification include:

- (1) the assessment of the Company's management on whether Green Forest (QingXin) Paper Industrial Limited (森葉(清新)紙業有限公司) ("Green Forest Paper"), an indirect wholly-owned subsidiary of the Company, has an obligation to pay the relevant tax amounts concerning the Decisions and the Tax Matter Notice and the supportive evidence to it;
- (2) the view of the Company's management on whether it is reasonable and appropriate that no provision of the relevant tax amounts concerning the Decisions and the Tax Matter Notice was made in the Company's consolidated financial statements and the supportive evidence to it; and
- (3) a legal view from the Company's PRC legal advisor on the possible outcome of the Decisions and the Tax Matter Notice to show that it is not probable Green Forest Paper would make the tax payments.

關於保留意見的補充資料

本公司對審計保留意見的看法及立場

截至二零二三年十二月三十一日止年度的獨立核數師報告中披露的保留意見(「審計保留意見」)涉及評估是否應提供有關決定書及稅務事項通知書(定義見綜合財務報表附註30)的相關納稅金額所產生的不確定性。

本公司核數師就審計保留意見要求的資料及說明包括：

- (1) 本公司管理層對本公司間接全資附屬公司森葉(清新)紙業有限公司(「森葉紙業」)是否有責任支付款項的評估與決定書及稅務事項通知書相關的稅額及其支持證據；
- (2) 本公司管理層對於本公司綜合財務報表中不計提與決定書及稅務事項通知書相關稅額是否合理、適當的意見及其支持性證據；及
- (3) 本公司中國法律顧問對決定書及稅務事項通知書的可能結果的法律意見表明森葉紙業不太可能支付稅款。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The management position, view and assessment on the Audit Qualification, and the differences between the management's view and the auditor's view are described as below.

- (1) The Group objected and has lodged appeals against the Decisions and the Tax Matter Notice in accordance with the relevant appeal mechanism. As at the date of the Result Announcement, the court's final decision on the obligations of the Group was not available. Therefore, the Company's management was not able to assess whether Green Forest Paper has an obligation to pay the relevant tax amounts concerning the Decisions and the Tax Matter Notice.
 - (2) With regard to the value-added tax and other taxes, the Group applied the recognition criteria in accordance with the Hong Kong Accounting Standard ("HKAS") 37. Under Hong Kong Accounting Standard ("HKAS") 37 IN2, a provision should be recognised when and only when: (a) an entity has a present obligation arising from past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) reliable estimate can be made of the amount of the obligation. Given the fact that the Group is undergoing the appeal process in relation to the Decisions and the Tax Matter Notice, the Company's management considered it is not probable to settle the tax payments with the lack of factual and legal support from the relevant tax bureau in Mainland China. As a result, the Company has disclosed this as a contingent liability under HKAS 37 IN18(b)(i) and IN19. However, the auditor considered that there is no sufficient evidence, such as there is no conclusive view from the PRC legal advisor under the normal PRC legal practice, to support that no provision should be made to the relevant tax amounts concerning the Decisions and the Tax Matter Notice.
 - (3) With regard to the corporate income tax, the Group applied the recognition criteria in accordance with the HK(IFRIC) Interpretation 23. Under paragraphs 9 and 10 of the HK(IFRIC) Interpretation 23, an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment and if an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, the entity shall determine the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. Based on the reasons stated in point (2) above, the Company's management concluded it is probable that the Group would be able to succeed in the appeal actions, which in turn lead to the relevant tax bureau in Mainland China eventually accepting the objections lodged by the Group. As a result, no provision for corporate income tax was made by the Group.
- 管理層對審計保留意見的立場、觀點及評估，以及管理層與核數師觀點的差異如下所述。
- (1) 本集團已根據相關上訴機制對決定書和稅務事項通知書提出異議並提出上訴。於業績公告日期，法院最終判決本集團毋須承擔責任。因此，本公司管理層無法評估森葉紙業是否有義務繳納與決定書及稅務事項通知書相關的稅款。
 - (2) 就增值稅及其他稅項而言，本集團根據香港會計準則（「香港會計準則」）第37條應用確認標準。根據香港會計準則（「香港會計準則」）第37號IN2，當且僅當：(a)實體因過去事件而產生的現時義務；(b)很可能需要包含經濟利益的資源流出以履行該義務；及(c)能夠可靠估計該義務的金額。鑑於本集團正就有關決定書及稅務事項通知書進行上訴程序，本公司管理層認為，在缺乏中國內地相關稅務局的事實和法律支持的情況下，不太可能結清稅款。因此，本公司已根據香港會計準則第37號IN18(b)(i)及IN19將此列為或有負債。然而，核數師認為，並無足夠證據（例如根據正常的中國法律慣例，概無來自中國法律顧問的結論性意見）支持不應就決定書及稅務事項通知書的相關稅額計提撥備。
 - (3) 關於企業所得稅，本集團按照香港（國際財務報告解釋委員會）解釋第23號應用確認標準。根據香港（國際財務報告解釋委員會）解釋第23號第9段及第10段，實體應考慮是否很可能稅務機關將接受不確定的稅務處理，如果實體得出結論，稅務機關可能會接受不確定的稅務處理，實體應按照其所得稅申報中使用或計劃使用的稅收處理方法確定應稅利潤（稅收虧損）、計稅基礎、未使用稅收虧損、未使用稅收抵免或稅率。基於上文第(2)點所述的理由，本公司管理層認為本集團將可就上訴成功取得勝訴，而中國內地相關稅務機關最終會接納本集團提出的反對意見。因此，本集團並無計提企業所得稅撥備。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

- (4) Although there were a number of supportive points analysed by the Company's PRC legal advisor in favour of the Group in respect of appeals of the Decisions and the Tax Matter Notice, the PRC legal advisor, under the normal PRC legal practice, is not in a position to make a final conclusive view on the outcome of the appeal actions, which is subject to the decision of the courts.
- (5) The Company's management is of the view that it is not probable that the Group should pay the relevant tax amounts based on the reasons that the Decisions and the Tax Matter Notice are under appeal and no final decisions or orders have been made by the relevant courts and the analysis of the PRC legal advisor. As such, the Group disclosed these matters as contingent liabilities under HKAS 37. However, the Company's auditor has different views from the above assessment of the Company's management. The Company's auditor considered the lack of a final decision and a final conclusive view of the PRC legal advisor was not sufficient for the management's view to base on.
- (4) 儘管本公司的中國法律顧問對有利於本集團的決定書及稅務事項通知書的上訴的多項支持性觀點進行分析，但根據中國的正常法律慣例，中國法律顧問無法對上訴行動結果發表最終意見，而上訴結果取決於法院的決定。
- (5) 本公司管理層認為，鑑於決定書及稅務事項通知書正在進行上訴，而相關法院並未作出最終決定或命令，且根據中國法律顧問之分析，本集團不太可能繳納相關稅款。因此，本集團根據香港會計準則第37號將該等事項披露為或然負債。然而，本公司核數師與本公司管理層之上述評估持不同意見。本公司核數師認為，缺乏最終決定及中國法律顧問之最終意見不足以作為管理層觀點之依據。

Audit committee's view on the Audit Qualification

- (1) The Audit Committee has critically reviewed the relevant information provided by the Company's management concerning the Audit Issues and is of the view that since the Group has, in accordance with the relevant laws and regulations, appealed the cases and pending the appeal decisions, no provision should be made under relevant Hong Kong Accounting Standards unless an irrevocable decision has been made by the courts in Mainland China.
- (2) The Company's auditor also reported and discussed the Audit Issues with the Audit Committee. The Audit Committee confirmed with the Company's auditor that they have reviewed and agreed with the Board's and management's position and basis of assessment concerning the Audit Issues. The Audit Committee also agreed and accepted the Audit Issues under the existing circumstances despite the best effort has been done by the Company during the year.

Impact of the Audit Qualification on the Group's consolidated financial position

Company's view

Based on the PRC legal advisor's experience and best estimate, such administrative court cases would normally not last long but is not under control of the Company. The Company expects that the decision will be released by the court before 31 December 2024, which in turn will resolve the Audit Issues.

The board of directors (including the audit committee) considers that if the court decision can be released in 2024, the uncertainties concerning the Decisions and the Tax Matter Notice could be clear accordingly, which in turn will resolve the Audit Issues.

審核委員會對審計保留意見的意見

- (1) 審核委員會已嚴格審閱本公司管理層所提供有關審計問題之相關資料，並認為由於本集團已按照相關法例及規例對案件提出上訴並正在等待上訴決定，除非中國內地法院作出不可撤銷的決定，否則根據相關香港會計準則不應作出撥備。
- (2) 本公司核數師亦向審核委員會報告並討論審計問題。審核委員會向本公司核數師確認，彼等已審查並同意董事會及管理層關於審計問題的立場及評估基準。儘管本公司於年內已盡最大努力，審核委員會亦同意並接受現有情況下的審計問題。

審計保留意見對本集團綜合財務狀況的影響

本公司觀點

根據中國法律顧問之經驗及最佳估計，該等行政法院案件通常不會持續很長時間，但並非本公司所控制。本公司預計法院將在二零二四年十二月三十一日之前發布決定，從而解決審計問題。

董事會（包括審核委員會）認為，如果法院決定能夠於二零二四年頒布，則決定書及稅務事項通知書的不確定性將相應消除，從而解決審計問題。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Auditor's view

The Company's auditor is not able to confirm whether the Audit Qualification could be removed for the financial year ending 31 December 2024 given that the Group could not provide a concrete timeline as to when the matters concerning the Decisions and the Tax Matter Notice could be settled with the relevant tax bureau. The auditor considers that in the event that the action plans to be implemented by the Company to resolve the Audit Issues can be materialized successfully, the relevant audit modifications would be able to be removed accordingly.

The Company's action plan to address the Audit Qualification and the implementation of such plan

In the prior year, as in accordance with the plan, the Company has been working closely with the PRC legal advisor on the progress of the appeal actions and took appropriate steps and actions to obtain the court decisions timely. However, the release of the court decisions is out of the Group's control. Based on the PRC legal advisor's experience and best estimate, the decisions will be released by the courts before 31 December 2024.

In the next financial year, the Company will continue to work closely with the PRC legal advisor on the appeal actions. As advised by the PRC legal advisor, it is expected the court decision will be released in 2024. The Company's management is of the view that the Audit Issues are principally due to the different view of the Company's management and its auditor because of the unavailability of a final court decision. If the final court decision with respect to the Decisions and the Tax Matter Notice is received, the Company's management expects that such difference, and therefore the Audit Issues will be removed. In the meantime, the Group obtained a letter of intent from one of the principal banks to provide the Group with sufficient financial support to ensure the solvency of the Group in the worst event that the Group is liable to all the tax payments/penalties.

Impact of the Audit Qualification on internal control of the Group

In light of the Audit Qualification, the Board is of the view that the causes of the various tax issues were not due to significant internal control deficiencies with the following basis.

The waste paper product purchase made from the Suppliers were genuine. Also, the Group had paid up the respective total price of the waste paper products under the VAT Invoices, and had received the waste paper products with proper approval procedures. The management of Green Forest Paper at that time believed appropriate taxation arrangement has been made with the Suppliers under normal business practice in Mainland China.

The directors of the Company, and the management of Green Forest Paper who were responsible for the Tax Deduction, had no knowledge of any irregular circumstances under which such VAT Invoices were issued.

The management of Green Forest Paper obtained the irregular VAT Invoices from the Suppliers and made the Tax Deduction due to mere inadvertence and the Board is of the view that it has no intention to evade tax, and does not involve any fraud, dishonesty or corruption on the part of the Directors or management.

核數師觀點

鑑於本集團無法提供具體時間表，說明何時可與相關稅務局解決有關決定書及稅務事項通知書有關的事項，故本公司核數師無法確認是否可於截至二零二四年十二月三十一日止財政年度取消審計保留意見。核數師認為，倘本公司為解決審計問題而實施的行動計劃得以成功實現，相關審核修改將能夠相應刪除。

本公司提出的解決審計保留意見問題的行動計劃及其實施情況

於去年，根據計劃，本公司一直與中國法律顧問緊密合作，了解上訴行動的進展，並採取適當措施及行動及時獲得法院決定。然而，法院決定的頒布並非本集團所控制。根據中國法律顧問之經驗及最佳估計，法院將於二零二四年十二月三十一日之前頒布決定。

於下一個財政年度，本公司將繼續與中國法律顧問就上訴行動密切合作。據中國法律顧問告知，預計法院將於二零二四年作出決定。本公司管理層認為，審計問題主要是由於尚未取得法院最終決定而導致本公司管理層核數師意見不同所致。倘若就決定書和稅務事項通知書取得最終法院決定，本公司管理層預計有關差異以及審計問題將會消除。與此同時，本集團已取得本集團其中一家主要銀行的意向函件，該銀行將向本集團提供足夠財務資助，以確保本集團的償債能力，在最壞情況下本集團有能力支付所有稅款／罰款。

審計保留意見對本集團內部控制的影響

鑑於審計保留意見，董事會認為，各類稅務問題的起因並非由於重大內部控制缺陷所致，其依據如下。

向供應商購買的廢紙產品為真實。此外，本集團已根據增值稅發票支付廢紙產品的相應價格總額，並以適當的審批程序收取廢紙產品。森葉紙業管理層當時認為，已根據中國內地的正常商業慣例與供應商作出適當的稅務安排。

負責稅項抵扣的本公司董事及森葉紙業管理層並不知悉開具有關增值稅發票的任何異常情況。

森葉紙業管理層僅因疏忽自供應商處取得違規增值稅發票並進行稅項抵扣，董事會認為其無意逃稅，且不涉及及董事或管理層部分的任何欺詐、不誠實或貪污行為。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Enhanced Internal Control Measures

The Company has taken enhanced internal control measures on both the entity level and activity level since last year. The Company will continue to carry out enhanced internal control measures in this year. These measures include:

Entity level

- (i) strengthening of review and monitoring procedures of factory in respect of approvals, payments and corporate tax treatments by senior officers;
- (ii) provision of training to directors and senior management; and
- (iii) regular evaluation on effectiveness and efficiency of internal control system and risk management of factory.

Activity level

- (i) reviewing performance of procurement and tax handling teams;
- (ii) enhancing reporting channels to timely report significant issues from the subsidiaries and encouraging staff to report any unusual activity;
- (iii) providing training to staff, especially those staff who are involved in handling payments to suppliers with value-added tax invoices; and
- (iv) reviewing procedures and process of procurement of materials to align with the market best practices.

Recent updates on the status about various tax issues of Green Forest Paper

Capitalised terms used below shall have the same meanings as those defined in note 30 of the consolidated financial statements.

1. Tax issue about value-added tax invoices received from certain suppliers

The Tax Treatment Decision

The Group filed an appeal against the aforesaid judgement at the Intermediate People's Court of Qingyuan City, Guangdong Province (廣東省清遠市中級人民法院) ("Intermediate Court"). Pursuant to the judgement dated 5 July 2023 from the Intermediate Court, the Intermediate Court concluded that the appeal was rejected, and the administrative judgement dated 19 April 2023 was upheld.

On 10 August 2023, the Group filed a retrial application against the judgement dated 5 July 2023 at Guangdong Higher People's Court, Guangdong Province (廣東省高級人民法院) ("Higher People's Court"). On 14 August 2023, the Higher People's Court accepted the Group's retrial application and will proceed with the retrial hearing if it considers the case meets the grounds and conditions for retrial after the verification procedures.

加強內部控制措施

自去年以來，本公司於企業層面及經營層面均已加強內部控制措施。於本年度，本公司將繼續加強內部控制措施。該等措施包括：

企業層面

- (i) 加強廠房於高級管理層的批准、付款及本公司稅收處理方面的審查及監督程序；
- (ii) 為董事及高級管理層提供培訓；及
- (iii) 定期評估廠房內部控制體系及風險管理的有效性與效率。

經營層面

- (i) 審閱採購及稅務處理團隊的表現；
- (ii) 加強報告渠道，及時報告附屬公司的重大事項及鼓勵員工報告異常活動；
- (iii) 為員工提供培訓，尤其是該等參與處理向供應商提供增值稅發票的付款的員工；及
- (iv) 審閱採購物料的程序和流程，以符合市場最佳做法。

森葉紙業各類稅務問題的近期更新

以下所用詞彙與綜合財務報表附註30所界定者具有相同涵義。

1. 有關供應商增值稅發票的稅務問題

稅務處理決定書

本集團針對上述判決向廣東省清遠市中級人民法院（「中級法院」）提起上訴。根據中級法院日期為二零二三年七月五日的判決，中級法院裁定駁回上訴，並維持二零二三年四月十九日的行政判決。

於二零二三年八月十日，本集團針對二零二三年七月五日的判決向廣東省高級人民法院（「高級人民法院」）提出復審申請。於二零二三年八月十四日，高級人民法院受理本集團的復審申請，經核實程序認為案件符合復審理由及條件後，將進行復審聆訊。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Up to the date of the consolidated financial statements, the Higher People's Court was still processing the retrial application.

The Group has obtained a letter of intent from one of the Group's principal banks confirming to provide the Group with financial support. The Group will ensure its solvency if in case of an unfavourable appeal result and the Group has to bear all the tax payments and late fee under the Tax Treatment Decision.

The Tax Penalty Decision

Pursuant to the administrative judgement dated 30 June 2023 from the Guangzhou Railway Transport Court, the decision of administrative review made by the Guangdong Province Tax Bureau on 8 November 2022 to uphold the Tax Penalty Decision shall be revoked, but the Guangdong Province Tax Bureau has the right to appeal within 15 days from the date of the judgement.

The Group subsequently received a summons from the Guangzhou Railway Transport Intermediate Court (廣州鐵路運輸中級法院) dated 2 November 2023, in which the Guangdong Province Tax Bureau filed an appeal against the administrative judgement dated 30 June 2023. The appeal hearing was held on 13 November 2023, and no order was made from the court up to the date of the consolidated financial statements.

2. Tax Matter Notice

Green Forest Paper made an application for tax payment guarantee on 28 February 2023 and obtained confirmation from Qingxin Tax Bureau about the acceptance of the tax payment guarantee on 23 March 2023.

On 7 April 2023, Green Forest Paper disagreed with the Tax Matter Notice and applied for an administrative review with Qingxin Tax Bureau.

On 2 June 2023, the State Administration of Taxation Qingyuan City Qingxin District Taxation Bureau (國家稅務總局清遠市清新區稅務局) issued an administrative review decision stating that the Qingyuan Tax Bureau shall revoke the Tax Matter Notice and re-handle it in accordance with the applicable laws.

There was no further development with regard to the Tax Matter Notice as at the date of the consolidated financial statements.

截至綜合財務報表日期，高級人民法院仍在處理復審申請。

本集團已取得本集團其中一家主要往來銀行的意向函件，確認向本集團提供財務支持。倘上訴結果不利，而本集團須承擔稅務處理決定書項下的所有稅項付款及滯納金，則本集團將確保其償付能力。

稅務處罰決定書

根據廣州鐵路運輸法院日期為二零二三年六月三十日之行政判決，廣東省稅務局於二零二二年十一月八日作出維持稅務處罰決定書的行政覆核決定應予撤銷，惟廣東省稅務局有權於判決日期起計15日內提出上訴。

本集團其後於二零二三年十一月二日收到廣州鐵路運輸中級法院的傳票，其中廣東省稅務局對日期為二零二三年六月三十日的行政判決提出上訴。上訴聆訊已於二零二三年十一月十三日展開，截至綜合財務報表日期，法院尚未作出任何命令。

2. 稅務事項通知書

森葉紙業於二零二三年二月二十八日提出納稅擔保申請，並於二零二三年三月二十三日獲得清新稅務局關於受理納稅擔保的確認函。

二零二三年四月七日，森葉紙業不服稅務事項通知，向清新稅務局申請行政覆議。

於二零二三年六月二日，國家稅務總局清遠市清新區稅務局作出行政覆議裁決，表示清遠區稅務局應撤銷稅務事項通知書，並根據適用法例重新處理。

於綜合財務報表日期，並無有關稅務事項通知書之進一步發展。

MANAGEMENT PROFILE

管理層履歷

BOARD OF DIRECTORS

Executive Directors

Mr. Hui Sum Ping, aged 62, is the chairman of the Board, an executive Director of the Company and a co-founder of the Group. Mr. Hui is responsible for the business development and overall corporate planning of the Group. Mr. Hui has over 39 years of experience in the corrugated packaging industry in Hong Kong and the PRC.

Mr. Hui Sum Ping is a brother of Mr. Hui Sum Tai (executive Director and chief executive officer of the Company). Mr. Hui is a brother-in-law of Mr. Tsui Yung Wai (a senior management of the Company). Mr. Hui did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

Mr. Hui Sum Tai, aged 57, is an executive Director and the chief executive officer of the Company. Mr. Hui has joined the Group since its establishment and is responsible for the strategic planning and day-to-day management of the Group. Mr. Hui has over 37 years of experience in the corrugated packaging industry in Hong Kong and the PRC.

Mr. Hui Sum Tai is a brother of Mr. Hui Sum Ping (chairman of the Board and executive Director of the Company). Mr. Hui is a brother-in-law of Mr. Tsui Yung Wai (a senior management of the Company). Mr. Hui did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

董事會

執行董事

許森平先生，62歲，為董事會主席兼本公司執行董事，並為本集團聯合創辦人。許先生負責本集團之業務發展及整體企業規劃。許先生於香港及中國之瓦楞包裝行業積逾三十九年經驗。

許森平先生為本公司執行董事兼行政總裁許森泰先生之兄長。許先生為本公司高級管理層徐勇為先生之大舅。許先生於過去三年並無於香港或海外上市公司出任任何其他董事職務。

許森泰先生，57歲，為本公司之執行董事兼行政總裁。許先生自集團成立起已加入本集團，負責本集團策略規劃及日常管理。許先生於香港及中國之瓦楞包裝行業積逾三十七年經驗。

許森泰先生為本公司董事會主席兼執行董事許森平先生之弟弟。許先生為本公司高級管理層徐勇為先生之小舅。許先生於過去三年並無於香港或海外上市公司出任任何其他董事職務。

MANAGEMENT PROFILE

管理層履歷

BOARD OF DIRECTORS (Continued)

Independent Non-executive Directors

Mr. Tso Sze Wai, aged 53, is an independent non-executive Director and the chairman of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. In June 1995, Mr. Tso graduated from the University of New South Wales, Australia with a Bachelor of Commerce degree majoring in accounting. In April 2001, he received a graduate diploma in business computing from the University of Western Sydney, Australia. Mr. Tso has been a member of the Hong Kong Institute of Certified Public Accountants since January 2015.

Mr. Tso has over 20 years of experience in accounting, corporate finance and corporate secretarial matters. Since July 2021, he has been an independent non-executive Director and chairman of the audit committee of China Asia Valley Group Limited (HKEX stock code: 0063), a company listed on the Main Board of the Stock Exchange of the Hong Kong Limited (the "Stock Exchange"). Since July 2020, he has served as an independent non-executive Director and chairman of the audit committee of Net Pacific Financial Holdings Limited (SGX: 5QY), a company listed on the Catalist Board of the Singapore Exchange Limited (the "Singapore Exchange"). From June 2020 to August 2021, he served as an independent non-executive Director and chairman of the audit committee of KTL Global Limited (SGX: EB7), a company listed on the Mainboard of the Singapore Exchange. From December 2021 to March 2022, he served as an independent non-executive Director and chairman of the audit committee of C-Link Squared Limited, (HKEX stock code: 1463), a company listed on the Main Board of the Stock Exchange. He has been an independent non-executive Director of China Jicheng Holdings Limited (HKEX stock code: 1027), Willas-Array Electronics (Holdings) Limited (HKEX Stock Exchange: 854) a company listed on the Main Board of the Stock Exchange. Saved as disclosed above, Mr. Tso did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

董事會 (續)

獨立非執行董事

曹思維先生，53歲，為獨立非執行董事及審核委員會、薪酬委員會及提名委員會主席。於一九九五年六月，曹先生畢業於澳大利亞新南威爾斯大學，主修會計，獲學士學位。於二零零一年四月，彼獲得澳大利亞西悉尼大學的商業計算畢業文憑。曹先生自二零一五年一月起成為香港會計師公會會員。

曹先生於會計、企業財務及企業秘書事宜方面積逾20年經驗。自二零二一年七月起，彼擔任中亞烯谷集團有限公司（一家於香港聯合交易所有限公司（「聯交所」）主板上市的公司（聯交所股份代號：0063））的獨立非執行董事及審核委員會主席。自二零二零年七月起，彼擔任Net Pacific Financial Holdings Limited（一家於新加坡證券交易所有限公司（「新交所」）凱利板上市的公司（新交所：5QY））的獨立非執行董事及審核委員會主席。自二零二零年六月至二零二一年八月，彼擔任KTL Global Limited（一家於新交所主板上市的公司（新交所：EB7））的獨立非執行董事及審核委員會主席。自二零二一年十二月至二零二二年三月，彼擔任C-Link Squared Limited（一家於聯交所主板上市的公司（聯交所股份代號：1463））的獨立非執行董事及審核委員會主席。彼擔任中國集成控股有限公司（聯交所股份代號：1027）及威雅利電子（集團）有限公司（聯交所股份代號：854）的獨立非執行董事，該等公司於聯交所主板上市。除上文所披露者外，曹先生於過去三年並無於香港或海外上市公司出任任何其他董事職務。

MANAGEMENT PROFILE

管理層履歷

BOARD OF DIRECTORS *(Continued)*

Independent Non-executive Directors *(Continued)*

Mr. Wong Chu Leung, aged 76, is an independent non-executive Director and a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Wong has over 39 years of experience in enterprise management and manufacturing operation management. Mr. Wong is a shareholder and a director of a metal ware manufacturing company with manufacturing plant located in the PRC.

Mr. Wong does not have any relationship with any Directors, substantial shareholders and senior management of the Company. Mr. Wong did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

Mr. Chau Suk Ming, aged 66, is an independent non-executive Director and a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Chau is a retired businessman with more than 17 years of experience in the corrugated packaging industry. Mr. Chau was a shareholder and a director of a corrugated packaging company with manufacturing plant located in the PRC.

Mr. Chau does not have any relationship with any Directors, substantial shareholders and senior management of the Company. Mr. Chau did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

SENIOR MANAGEMENT

Mr. Tsui Yung Wai, aged 61, is the general manager of the Group. Mr. Tsui is responsible for the supervision of procurement, logistics and human resources of the Group. Mr. Tsui has over 28 years of experience in corrugated packaging industry in Hong Kong and the PRC. Prior to joining the Group in February 2008, Mr. Tsui was a shareholder and a director of a corrugated packaging company.

Mr. Tsui is a brother-in-law of Mr. Hui Sum Ping (chairman of the Board and executive Director of the Company) and Mr. Hui Sum Tai (executive Director and chief executive officer of the Company).

董事會 *(續)*

獨立非執行董事 *(續)*

黃珠亮先生，76歲，為本公司之獨立非執行董事以及審核委員會、薪酬委員會及提名委員會成員。黃先生於企業管理及製造業務管理方面積逾三十九年經驗。黃先生為一間於中國設有生產廠房之金屬製品公司之股東及董事。

黃先生與本公司之任何董事、主要股東及高級管理層概無任何關係。黃先生於過去三年並無於香港或海外上市公司出任任何其他董事職務。

周淑明先生，66歲，為本公司之獨立非執行董事以及審核委員會、薪酬委員會及提名委員會成員。周先生為一名退休商人，於瓦楞包裝業積逾十七年經驗。周先生曾為一間於中國設有生產廠房之瓦楞包裝公司之股東及董事。

周先生與本公司之任何董事、主要股東及高級管理層概無任何關係。周先生於過去三年並無於香港或海外上市公司出任任何其他董事職務。

高級管理層

徐勇為先生，61歲，本集團總經理。徐先生負責監督本集團之採購、運輸物流及人力資源。徐先生於香港及中國之瓦楞包裝行業積逾二十八年經驗。徐先生於二零零八年二月加盟本集團之前，曾為一間瓦楞包裝公司之股東及董事。

徐先生為本公司董事會主席兼執行董事許森平先生之妹夫，以及本公司執行董事兼行政總裁許森泰先生之姐夫。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board is pleased to present this Corporate Governance Report in the Group's annual report for the year ended 31 December 2023.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high corporate governance standards to safeguard the interests of shareholders and enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") as the basis of the Company's corporate governance practices.

The Company has in place a corporate governance framework and has established a set of policies and procedures based on the CG Code contained in Appendix C1 of the Listing Rules. Such policies and procedures provide the infrastructure for enhancing the Board's ability to implement governance and exercise proper oversight on business conduct and affairs of the Company.

The Company has applied the principles set out in the CG Code.

The Board is of the view that throughout the year ended 31 December 2023, the Company has complied with all the code provisions as set out in the CG Code, except for code provisions C.2.1, D.3.3 and E.1.2.

董事會欣然於本集團截至二零二三年十二月三十一日止年度之年報呈列本企業管治報告。

企業管治常規

董事會致力於維持高標準的企業管治，以保障股東權益、提升其企業價值、制定業務策略及政策以及加強透明度及問責。

本公司已採納香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄C1所載之企業管治守則（「企管守則」）之原則及守則條文，作為本公司企業管治常規之準則。

本公司已基於上市規則附錄C1所載的企管守則設立企業管治框架及一套政策及程序。該等政策及程序作為基礎，提升董事會執行管治及妥為監督本公司的業務活動及事務的能力。

本公司已應用企管守則所載之原則。

董事會認為，於截至二零二三年十二月三十一日止年度期間，本公司已遵守企管守則所載之所有守則條文，惟守則條文第C.2.1、D.3.3及E.1.2條除外。

CORPORATE GOVERNANCE REPORT

企業管治報告

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding Directors' dealings in the Company's securities (the "Code of Conduct") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code and the Code of Conduct throughout the year ended 31 December 2023.

The Company has also established written guidelines (the "Employees Written Guidelines") no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of inside information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

BOARD OF DIRECTORS

Board Composition

The Board currently comprises five Directors, consisting of two Executive Directors and three Independent Non-executive Directors as follows:

Executive Directors

Hui Sum Ping	Chairman
Hui Sum Tai	Chief Executive Officer

Independent Non-executive Directors

Tso Sze Wai	Chairman of the Audit Committee, the Remuneration Committee and the Nomination Committee
Wong Chu Leung	Member of the Audit Committee, the Remuneration Committee and the Nomination Committee
Chau Suk Ming	Member of the Audit Committee, the Remuneration Committee and the Nomination Committee

The relationships between the Directors, if any, are disclosed under "Management Profile" on pages 16 to 18.

證券交易標準守則

本公司已採納有關董事進行本公司證券交易之操守守則（「操守守則」），其條款嚴謹程度不低於上市規則附錄C3載列之上市發行人董事進行證券交易標準守則（「標準守則」）之規定。

已向所有董事作出具體查詢並獲彼等確認，彼等已於截至二零二三年十二月三十一日止年度期間遵守標準守則及操守守則之規定。

本公司亦就可能獲得本公司內幕資料之僱員進行證券交易訂立其條款嚴謹程度不低於標準守則之書面指引（「僱員書面指引」）。

就本公司所知，並無僱員未遵守僱員書面指引之事件。

董事會

董事會的組成

董事會現時由五名董事組成，包括下列兩名執行董事及三名獨立非執行董事：

執行董事

許森平	主席
許森泰	行政總裁

獨立非執行董事

曹思維	審核委員會、薪酬委員會及提名委員會主席
黃珠亮	審核委員會、薪酬委員會及提名委員會成員
周淑明	審核委員會、薪酬委員會及提名委員會成員

董事之間之關係（如有）已於第16至18頁之「管理層履歷」披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Continued)

The Company has implementable and effective mechanism to ensure independent views and inputs are available to the Board, with the following key features: (i) the Nomination Committee is established with clear terms of reference to identify suitable candidates, including Independent Non-executive Directors, for appointment as Directors; (ii) the Nomination Committee will assess annually the independence of all Independent Non-executive Directors; and (iii) the Directors are entitled to seek, at the Group's expense, independent professional advice reasonably necessary for discharging their duties as Directors. During the year ended 31 December 2023, the Board has reviewed the implementation and effectiveness of the mechanism and considered it to be effective.

Chairman and Chief Executive Officer

The positions of the Chairman and the Chief Executive Officer are held by Mr. Hui Sum Ping and Mr. Hui Sum Tai respectively. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board and business development. The Chief Executive Officer focuses on the Company's strategic planning and daily management and operations generally.

The Board considers that the responsibilities of the Chairman and the Chief Executive Officer respectively are clear and distinctive and hence, written terms thereof are not necessary. This deviates from the code provision C.2.1 of the CG Code which stipulates that the division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing.

Independent Non-executive Directors

During the year ended 31 December 2023, the Board at all appointment of at least three Independent Non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the Independent Non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 and paragraph 12B of the Appendix D2 to the Listing Rules. The Company considers all Independent Non-executive Directors are independent.

董事會 (續)

本公司設有可執行及有效的機制以確保董事會可獲得獨立意見及意見，主要特點如下：(i)已成立提名委員會，其職權範圍明確，以物色合適人選(包括獨立非執行董事)任命為董事；(ii)提名委員會將每年評估所有獨立非執行董事的獨立性；及(iii)董事有權尋求合理必要的獨立專業意見，費用由本集團承擔，以履行其作為董事的職責。截至二零二三年十二月三十一日止年度，董事會已檢討該機制的實施情況及成效，認為其有效。

主席及行政總裁

主席及行政總裁之職位分別由許森平先生及許森泰先生擔任。主席發揮領導作用並負責董事會之有效運作及領導董事會及業務發展。行政總裁主要負責本公司之策略規劃、日常管理及一般營運。

董事會認為，主席與行政總裁各自之職責均有清楚及明確界定，故毋須以書面劃分兩者之職權範圍。此舉偏離企管守則之守則條文第C.2.1條，該條文規定應清楚地制定主席與行政總裁之職責範圍，並以書面列出。

獨立非執行董事

於截至二零二三年十二月三十一日止年度，董事會一直遵守上市規則有關委任最少三名獨立非執行董事之規定，相當於三分之一董事會成員，而其中一名獨立非執行董事須擁有適當專業資格或會計或相關財務管理專長。

本公司已根據上市規則附錄D2第3.13條及第12B段所載之獨立性指引，從各獨立非執行董事接獲有關彼等之獨立性之年度書面確認。本公司認為全體獨立非執行董事均為獨立人士。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Continued)

Appointment and Re-election of Director

The Independent Non-executive Directors of the Company are appointed for a specific term of around two years, subject to renewal after the expiry of the current term.

Pursuant to the Articles of Association of the Company, at each annual general meeting, one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Company's Articles of Association provides that all Directors appointed to fill a casual vacancy shall be subject to election by shareholders at the first general meeting after appointment. The retiring Directors shall be eligible for re-election.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for leadership and control of the Company and overseeing the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including Independent Non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

董事會 (續)

委任及重選董事

本公司之獨立非執行董事之特定委任年期約為兩年，並須於現有期限屆滿後重續。

根據本公司之組織章程細則，於每屆股東周年大會上，當時三分之一的董事（或倘若董事人數並非三的倍數，則為最接近但不少於三分之一的人數）須輪值告退，惟各董事須最少每三年輪值告退一次。本公司之組織章程細則規定，就填補臨時空缺所委任之所有董事均須於獲委任後首個股東大會上接受股東選舉。退任董事符合資格膺選連任。

董事會及管理層之職責、問責及貢獻

董事會負責領導及控制本公司並監管本集團之業務、策略決策及表現以及集體負責透過指導及監管本公司之事務推動其成功發展。

董事會直接和間接通過其委員會，通過制定策略和監督其實施，為管理層提供引導及方向，監督本集團的營運和財務績效，並確保建立健全的內部控制和風險管理系統。

全體董事（包括獨立非執行董事）均為董事會帶來不同範疇之寶貴業務經驗、知識及專長，使其高效及有效運作。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS *(Continued)*

Responsibilities, Accountabilities and Contributions of the Board and Management *(Continued)*

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management. According to the code provision D.1.2 of part 2 of the CG Code, the management shall provide all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. The Company has provided all members of the Board monthly updates of financial, compliance and operation matters to enhance the corporate governance of the Group and provide more adequate and complete information to the Board in a timely manner.

董事會 *(續)*

董事會及管理層之職責、問責及貢獻 *(續)*

董事須向本公司披露彼等擔任之其他職務之詳情，而董事會亦會定期審閱各董事向本公司履行其職責時作出之貢獻。

董事會負責決定所有重要事宜，當中涉及政策事宜、策略及預算、內部監控及風險管理、重大交易（特別是可能會涉及利益衝突之事宜）、財務資料、委任董事及本公司其他重大營運事宜。有關執行董事會決策、指導及協調本公司日常營運及管理之職責授予管理層。根據企業管治守則第2部分的守則條文D.1.2，管理層應每月向董事會所有成員提供更新資料，載列有關本公司之表現、狀況及前景之公正及易於理解之評估，內容需足以讓董事會全體及各董事履行上市規則第3.08條及第13章所規定之職責。本公司每月向董事會全體成員提供財務、合規及營運事宜之更新資料，以加強本集團之企業管治，並及時向董事會提供更充分及完整之資料。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Continued)

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received induction and legal advice on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction shall be supplemented by visits to the Company's key plant sites and meetings with senior management of the Company.

Directors should participate in appropriate continuous professional development ("CPD") to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading materials on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant external training courses at the Company's expenses.

During the year ended 31 December 2023, the Company organized two in-house briefings on updates on Listing Rules and related matters for all Directors. In addition, relevant reading materials including compliance manual, legal and regulatory update and seminar handouts have been provided to the Directors for their reference and studying.

The records of CPD relating to Director's duties and regulatory and business development that have been received by the Directors for the year ended 31 December 2023 are summarized as follows:

Directors	Type of Training ^{Note}
<i>Executive Directors</i>	
Hui Sum Ping	A and B
Hui Sum Tai	A and B
<i>Independent Non-executive Directors</i>	
Tso Sze Wai	A and B
Wong Chu Leung	A and B
Chau Suk Ming	A and B

董事會 (續)

董事之持續專業發展

董事應緊隨了解最新的監管發展和變化，以有效履行其職責，並確保其對董事會作出全面和相關的貢獻。

每名新任董事均於首次獲委任時獲提供入職培訓及法律意見，確保新董事可適當掌握本公司業務及營運，並充分明白上市規則及相關法規下其須承擔之董事職責及責任。有關入職培訓還包括考察本公司之主要廠房場地及與本公司之高級管理層會面。

董事應參與適當的持續專業發展（「持續專業發展」），發展並更新其知識及技能。本公司將在適當時候在公司內部為董事安排簡介並向董事提供相關課題之閱讀材料。本公司鼓勵所有董事出席相關外部培訓課程，費用由本公司繳付。

截至二零二三年十二月三十一日止年度，本公司為全體董事舉辦了兩次有關更新上市規則及相關事宜之內部簡報。此外，本公司已向董事提供相關閱讀材料以供參考及學習，包括合規手冊、最新法律及監管資料及研討會講義。

截至二零二三年十二月三十一日止年度，董事已收到有關董事職責及監管與業務發展的持續專業發展紀錄摘要如下：

董事	培訓類型 ^{附註}
<i>執行董事</i>	
許森平	A及B
許森泰	A及B
<i>獨立非執行董事</i>	
曹思維	A及B
黃珠亮	A及B
周淑明	A及B

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Continued)

Continuous Professional Development of Directors (Continued)

Note:

Types of Training

- A: Attending training sessions, including but not limited to, seminars, conferences and workshops
- B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

The list of the chairman and members of each Board committee is set out under "Corporate Information" on page 2.

AUDIT COMMITTEE

The Audit Committee currently consists of three Independent Non-executive Directors, namely Mr. Tso Sze Wai, Mr. Wong Chu Leung and Mr. Chau Suk Ming. Mr. Tso Sze Wai is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code.

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditor, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

董事會 (續)

董事之持續專業發展 (續)

附註：

培訓類型

- A: 出席培訓課程，包括但不限於簡報、研討會、會議和工作坊
- B: 閱讀相關新聞重點、報紙、期刊、雜誌及相關刊物

董事委員會

董事會已設立三個委員會，即審核委員會、薪酬委員會及提名委員會，以監督本公司具體事務。本公司所有董事委員會均按書面界定之職權範圍履行工作。董事委員會之職權範圍已刊載於本公司網站及聯交所網站，並可應要求時供股東查閱。

各董事委員會之主席及成員名單載於第2頁之「公司資料」內。

審核委員會

審核委員會現時由三名獨立非執行董事組成，分別為曹思維先生、黃珠亮先生及周淑明先生。曹思維先生為審核委員會主席。

審核委員會的職權範圍不遜於企管守則所載的職權範圍。

審核委員會之主要職責為協助董事會審閱財務資料及申報程序、風險管理及內部監控制度、內部審核職能成效、審核範圍及委任外聘核數師，以及檢討安排致使本公司僱員可就本公司財務申報、內部監控或其他方面提出可能不當行為之關注。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES *(Continued)*

Audit Committee *(Continued)*

The Audit Committee held two meetings to review, in respect of the year ended 31 December 2023, the interim and annual financial results and reports and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, re-appointment of external auditor and engagement of non-audit services and relevant scope of works.

Since the company has not engaged its auditor to review the financial information in its interim report, the Audit Committee has met with the Company's auditor once to discuss matters arising from the audit of the Company's annual results and other matters the auditor may wish to raise during the year ended 31 December 2023. This deviates from the code provision D.3.3 of the CG Code which stipulates that the audit committee must meet, at least twice a year, with company's auditor.

Remuneration Committee

The Remuneration Committee currently consists of three Independent Non-executive Directors namely, Mr. Tso Sze Wai, Mr. Wong Chu Leung and Mr. Chau Suk Ming. Mr. Tso Sze Wai is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code.

The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual Executive Directors, the remuneration policy and structure for all Directors; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

The Remuneration Committee met once during the year to review the Directors' remuneration policy and structure of the Company, the remuneration packages of the Executive Directors, remuneration of the Non-executive Directors, and the New Share Option Scheme and recommend it to the Board.

董事委員會 *(續)*

審核委員會 *(續)*

審核委員會共舉行了兩次會議，以審閱截至二零二三年十二月三十一日止年度之中期及年度財務業績及報告以及有關財務申報、經營及合規監控、風險管理及內部監控制度以及內部審核職能之成效、續聘外聘核數師及進行非審計服務及相關工作範疇之重大事宜。

由於本公司並無委聘其核數師審閱其中期報告之財務資料，截至二零二三年十二月三十一日止年度，審核委員會與本公司核數師舉行一次會議以討論審計本公司全年業績時出現之事宜及核數師可能提出之其他事宜。此偏離企管守則之守則條文D.3.3條有關審核委員會與公司核數師須每年至少舉行兩次會議之規定。

薪酬委員會

薪酬委員會現時由三名獨立非執行董事，分別為曹思維先生、黃珠亮先生及周淑明先生組成。曹思維先生為薪酬委員會主席。

薪酬委員會的職權範圍不遜於企管守則所載的職權範圍。

薪酬委員會之主要職責包括審閱個別執行董事之薪酬待遇、全體董事之薪酬政策及架構並就此向董事會提供意見；及設立透明的程序以制定薪酬政策及架構，從而確保概無董事或任何彼等之聯繫人士可參與釐定彼等自身之薪酬。

於年內薪酬委員會已舉行一次會議，以審閱本公司之董事薪酬政策及架構、執行董事之薪酬待遇、非執行董事之薪酬及新購股權計劃，並向董事會提出建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (Continued)

Remuneration Committee (Continued)

Currently, the remuneration of the senior management is attended by the Chairman and/or the Chief Executive Officer of the Company. This deviates from the code provision E.1.2 of the CG Code which stipulates that the remuneration committee should make recommendations to the board on company's policy and structure for all the directors' and senior management remuneration.

Details of the remuneration paid to the members of the senior management by band for the year ended 31 December 2023 are set out below:

Remuneration band	薪酬組別	Number of senior management 高級管理層數目
HK\$0–HK\$1,000,000	0港元至1,000,000港元	3

Nomination Committee

The Nomination Committee currently consists of three Independent Non-executive Directors, namely Mr. Tso Sze Wai, Mr. Wong Chu Leung and Mr. Chau Suk Ming. Mr. Tso Sze Wai is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code.

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of Independent Non-executive Directors.

In reviewing and assessing the Board composition, the Nomination Committee would consider a number of aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

董事委員會 (續)

薪酬委員會 (續)

目前，高級管理層之薪酬由本公司主席及／或行政總裁釐定。此偏離企管守則之守則條文第E.1.2條規定薪酬委員會須就公司全體董事及高級管理層之薪酬政策及架構向董事會提出建議。

截至二零二三年十二月三十一日止年度，已付高級管理層成員之薪酬按組別劃分之詳情載列如下：

提名委員會

提名委員會現時由三名獨立非執行董事組成，分別為曹思維先生、黃珠亮先生及周淑明先生。曹思維先生為提名委員會主席。

提名委員會的職權範圍不遜於企管守則所載的職權範圍。

提名委員會之主要職責包括審閱董事會之組成、制定及擬定提名及委任董事之相關程序、就董事委任及繼任計劃向董事會提供意見，以及評估獨立非執行董事之獨立性。

於審閱及評估董事會的組成時，提名委員會將考慮本公司董事會成員多元化政策所載有關董事會多元化的多個方面及因素。提名委員會會討論及協定達致董事會多元化的可計量目標並(如有需要)推薦董事會採用。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (Continued)

Nomination Committee (Continued)

Board Diversity Policy

The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage. The Company has adopted a Board Diversity Policy. The particulars of the Board Diversity Policy of the Company are set out as follows:

1. The Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy.
2. In reviewing and assessing the Board diversity, a number of aspects and factors will be considered, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge of industry and regional experience.
3. The Nomination Committee will discuss and where necessary, agree on the measurable objectives for achieving diversity on the Board and make recommendation to the Board for adoption.
4. The Nomination Committee will assess regularly the diversity profile of the Board and the progress on achieving diversity objectives, if any.
5. The Nomination Committee will review the Board Diversity Policy as appropriate and recommend revisions, if any, to the Board for consideration and approval.

As of the date of this annual report, none of the Company's director is female. Under the Board Diversity Policy, the Company aims to appoint at least one female director. The Board is committed to improving the diversity of the Board and will achieve the above objectives by 31 December 2024. As at 31 December 2023, the Group had a total of 64 female staff out of 246 employees, representing 26% of the employees of the Group. Besides, the Group will continue to take opportunities to increase the proportion of female board members and workforce over time as and when suitable candidates are identified. Further details on the gender ratio of the Group together with relevant data can be found in the Environmental, Social and Governance Report of the Company.

The Board and the Nomination Committee have reviewed the implementation and effectiveness of the Board Diversity Policy and considered it to be effective for the year ended 31 December 2023.

董事委員會(續)

提名委員會(續)

董事會成員多元化政策

本公司認同及深信董事會成員多元化所帶來的裨益，並且認為董事會趨向多元化是維持本公司競爭優勢的重要元素。本公司董事會成員多元化政策的詳情列載如下：

1. 提名委員會將每年檢討董事會的架構、人數及組成，並就任何為配合本公司的公司策略而對董事會作出的變動提出建議。
2. 在檢討及評估董事會成員多元化時，須考慮多個方面及因素，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、行業知識及地區經驗。
3. 提名委員會將會討論及協定(如有需要)為達致董事會成員多元化的可計量目標，並推薦董事會採用。
4. 提名委員會將會定期評估董事會多元化狀況及實現多元化目標的進展(如有)。
5. 提名委員會將在有需要時檢討董事會多元化政策，並向董事會建議有關修訂(如有)，以供考慮及批准。

截至本年報日期，本公司董事中並無女性。根據董事會成員多元化政策，本公司旨在委任至少一名女性董事。董事會致力於改善董事會的多元化，並將於二零二四年十二月三十一日前實現上述目標。於二零二三年十二月三十一日，於246名員工中，本集團共有64名女性員工，佔本集團員工的26%。此外，隨著時間推移，當確定合適的候選人時，本集團將繼續抓住機會增加女性董事會成員及員工的比例。有關本集團性別比例的更多詳情及相關數據，請參閱本公司的環境、社會及管治報告。

董事會及提名委員會已檢討董事會成員多元化政策的實施情況及成效，並認為該政策於截至二零二三年十二月三十一日止年度有效。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (Continued)

Nomination Committee (Continued)

Director Nomination Policy

1. The Board has adopted the Director Nomination Policy in order to (i) set out the criteria and process in the nomination and appointment of directors of the Company; (ii) ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company; and (iii) ensure the Board continuity and appropriate leadership at Board level.
2. In evaluating and selecting any candidate for directorship, the following criteria should be considered:
 - Character and integrity.
 - Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy.
 - Any measurable objectives adopted for achieving diversity on the Board.
 - Independence.
 - Any potential contributions the candidate can bring to the Board.
 - Willingness and ability to devote adequate time to discharge duties as a director.
 - Such other perspectives that are appropriate to the Company's business, succession plan, etc.
3. In identifying and selecting suitable candidates for directorships, the Nomination Committee will evaluate the candidates based on the prescribed criteria, rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable) and recommend to the Board to appoint the appropriate candidate for directorship, as applicable.

董事委員會(續)

提名委員會(續)

董事提名政策

1. 董事會已採取董事提名政策以達致(i)載列本公司提名及委任董事的準則及過程；(ii)確保董事會在切合本公司業務所需的技巧、經驗及多元觀點方面取得平衡；及(iii)確保董事會的持續性及維持其合適的領導角色。
2. 在評估及挑選候選人擔任董事時，會考慮下列準則：
 - 品格與誠信。
 - 資格，包括專業資格、技巧、知識及與本公司業務及策略相關的經驗。
 - 為達致董事會成員多元化而採納的任何可計量目標。
 - 獨立性。
 - 候選人可為董事會帶來的任何潛在貢獻。
 - 是否願意及是否能夠投放足夠時間履行身為董事的職責。
 - 其他適用於本公司業務及其繼任計劃的其他各項因素。
3. 在確定及挑選適當候選人擔任董事時，提名委員會會依據上述準則評估候選人，根據本公司的需要及每位候選人的證明審查(如適用)排列他們的優先次序，隨後就委任合適人選擔任董事一事向董事會提出建議(如適用)。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES *(Continued)*

Nomination Committee *(Continued)*

Director Nomination Policy *(Continued)*

4. For re-election of retiring director, the Nomination Committee will review the overall contribution and service to the Company of the retiring director and the level of participation and performance on the Board, determine whether the retiring director continues to meet the prescribed criteria and make recommendation to shareholders in respect of the proposed re-election of director at the general meeting.
5. The Nomination Committee will review regularly the nomination procedures and the process and criteria adopted for selection and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs.

Corporate Governance Functions

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

The Board reviewed the Company's corporate governance policies and practices, training and CPD of the Directors and the senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Employee Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

董事委員會 *(續)*

提名委員會 *(續)*

董事提名政策 *(續)*

4. 就重選退任董事，提名委員會會檢討退任董事對本公司的整體貢獻及服務，以及在董事會的參與程度及表現，確定退任董事是否仍然符合上述準則及於股東大會上重選董事的提案向股東提出建議。
5. 提名委員會將會定期為提名程序、過程及甄選準則進行檢討，並在有需要時向董事會提出修訂建議，以完善本公司之企業策略及切合業務需要。

企業管治職能

董事會負責履行企管守則之守則條文第A.2.1條所載之職能。

董事會已檢討本公司之企業管治政策及常規、董事及高級管理層之培訓及持續專業發展、本公司在遵守法例及監管規定之政策及常規、遵守標準守則及僱員書面指引以及遵守企管守則及於本企業管治報告中作出的披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

ATTENDANCE RECORDS OF DIRECTORS

董事之出席會議記錄

The attendance record of each Director at the Board, the Board Committee meetings and the general meeting of the Company held during the year ended 31 December 2023 is set out in the table below:

各董事於截至二零二三年十二月三十一日止年度舉行之董事會會議、董事委員會會議及本公司股東大會之出席記錄載列於下表：

Name of Director	董事姓名	Attendance/Number of Meetings				Annual General Meeting	Extraordinary General Meeting
		Board	Audit Committee	Remuneration Committee	Nomination Committee		
		董事會	審核委員會	薪酬委員會	提名委員會	股東週年大會	股東特別大會
Hui Sum Ping	許森平	4/4	N/A不適用	N/A不適用	N/A不適用	1/1	1/1
Hui Sum Tai	許森泰	4/4	N/A不適用	N/A不適用	N/A不適用	1/1	1/1
Tso Sze Wai	曹思維	4/4	2/2	1/1	1/1	1/1	1/1
Wong Chu Leung	黃珠亮	4/4	2/2	1/1	1/1	1/1	1/1
Chau Suk Ming	周淑明	4/4	2/2	1/1	1/1	1/1	1/1

Apart from regular Board meetings, the Chairman also held meetings with the Independent Non-executive Directors without the presence of Executive Directors during the year ended 31 December 2023.

除定期董事會會議外，於截至二零二三年十二月三十一日止年度期間，主席亦與獨立非執行董事在並無執行董事出席之情況下舉行會議。

Independent Non-executive Directors have attended the annual general meeting to gain and develop a balanced understanding of the view of shareholders.

獨立非執行董事已出席股東週年大會，以對股東意見有公正見解。

RISK MANAGEMENT AND INTERNAL CONTROLS

風險管理及內部監控

The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

董事會確認其有關風險管理及內部監控制度，以及檢討其成效之責任。該等制度乃旨在管理而非消除未能達成業務目標之風險，而且只能就不會有重大失實陳述或損失作出合理而非絕對保證。

Main features of the risk management and internal control systems

風險管理及內部控制系統的主要特點

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 Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

董事會全權負責評估及釐定本公司為達成策略目標所願承擔的風險性質及程度，並建立及維持適當及有效的風險管理及內部監控制度。

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

審核委員會協助董事會領導風險管理及內部監控制度的管理及監督其構成、執行及監管情況。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROLS

(Continued)

Main features of the risk management and internal control systems *(Continued)*

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions including project management, sales and leasing, financial reporting, human resources and information technology.

Process used to identify, evaluate and manage significant risks

The Company's risk assessment processes are summarized as follows:

All divisions/departments conduct internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department.

The management, in coordination with division/department heads, assesses the likelihood of risk occurrence, provides treatment plans, and monitors the risk management progress, and has reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

風險管理及內部監控 *(續)*

風險管理及內部控制系統的主要特點 *(續)*

本公司已制定並採用多項風險管理程序及指引，通過關鍵業務流程及辦公職能（包括項目管理、銷售及租賃、財務申報、人力資源及信息技術）明確授權實施。

用於識別、評估及管理重大風險的流程

本公司的風險評估流程概述如下：

所有分部／部門定期進行內部監控評估，以識別可能影響本集團業務以及主要營運及財務流程、監管合規及信息安全等方面的風險。各分部／部門於每年進行自我評估，以確認其妥善遵守監控政策。

管理層在分部／部門主管協調下，評估風險發生概率、提供應對計劃及監察風險管理進程，並向審核委員會及董事會報告所有結果及系統成效。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROLS

(Continued)

Process used to review the effectiveness of the risk management and internal control systems and to resolve material internal control defects

The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended 31 December 2023.

The Internal Audit Department is responsible for performing risk management and internal control systems. The Internal Audit Department examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee.

The Board, as supported by the Audit Committee as well as the management report, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31 December 2023, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

Code provision D.2.9 of the CG Code states that, as a recommended best practice, the Board may disclose details of any significant areas of concern on its risk management and internal control systems. In respect of the impact of the Audit Qualifications on internal control of the Group, as set out in management discussion and analysis on pages in relation to 13 and 14, the Board is of the view that the causes of the various tax issues were not due to internal control deficiencies and the Company has taken a number of enhanced internal control measures on both the entity level and activity level.

Information Disclosure Policy

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

風險管理及內部監控 (續)

用於審查風險管理和內部控制系統有效性及解決重大內部控制缺失的流程

管理層已向董事會及審核委員會匯報截至二零二三年十二月三十一日止年度風險管理及內部監控制度的成效。

內部審計部負責獨立檢討風險管理及內部監控系統的充足性及成效。內部審計部已檢查與會計實務及所有重大監控相關的主要問題，並已向審核委員會提交其發現及作出改善的推薦意見。

董事會在審核委員會的支持下，並經參考管理層報告，檢討截至二零二三年十二月三十一日止年度之風險管理及內部監控制度（包括財務、營運及合規監控），且認為該制度有效及足夠。年度檢討亦涵蓋財務申報及內部審計職能，以及員工資格、經驗及相關資源。

企業管治守則的守則條文第D.2.9條載列，根據建議的最佳慣例，董事會可披露與其風險管理及內部控制系統有關的任何重要領域的詳情。關於審核保留意見對本集團內部控制的影響，如第13及14頁管理層討論及分析所述，董事會認為，導致多項稅務問題的原因並非由於內部控制缺失所致，本公司已在實體層面及活動層面採取多項強化內部控制措施。

信息披露政策

本公司已制定其披露政策，為本公司董事、高級管理層及相關僱員處理機密資料、監管信息披露及回覆查詢提供一般指引。本公司已實施監控程序，以確保嚴格禁止未經授權的獲取及使用內幕資料。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledged their responsibility for preparing the financial statements of the Company for the year ended 31 December 2023.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 78 to 83.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

Note 2 to the consolidated financial statements mentions that the Group incurred consecutive losses attributable to owners of the Company of approximately HK\$100,804,000 and HK\$192,725,000 for the years ended 31 December 2023 and 2022, respectively, and as at 31 Decembers 2023 the Group had net current liabilities of HK\$24,137,000. In addition, as disclosed in note 30 to the consolidated financial statements, the Group has significant amounts of contingent liabilities in relation to the tax payment demanded by the tax bureau in the PRC. In the event that the potential obligation becomes materialized, the Group may not have sufficient cash and bank balances, which amounted to approximately HK\$47,272,000 as at 31 December 2023, to fulfil the obligations. These conditions indicate a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

For the purpose of assessing going concern, the directors of the Company have prepared a cash flow forecast of the Group covering a period of twelve months from the end of the reporting period (the "Cash Flow Forecast") with plans and measures to mitigate the liquidity pressure and to improve its financial position. In addition, the Group obtained the letter of intent from one of the principal bankers after the reporting period, under which loan facilities up to a maximum amount of approximately RMB300,000,000 are available to the Group for not less than twelve months from 31 December 2023. Based on the letter of intent and Cash Flow Forecast assuming the plans and measures can be successfully implemented as scheduled, the Directors are of the opinion that the Group is able to continue as a going concern and would have sufficient financial resources to finance the Group's operations and meet its financial obligations as and when they fall due. Accordingly, it is appropriate to prepare the consolidated financial statements on a going concern basis.

董事有關財務報表之責任

董事確認其編製本公司截至二零二三年十二月三十一日止年度財務報表之責任。

本公司獨立核數師有關其申報財務報表之責任之聲明載於第78至83頁「獨立核數師報告」內。

有關持續經營之重大不明朗因素

綜合財務報表附註2提述本集團分別於截至二零二三年及二零二二年十二月三十一日止年度連續招致本公司擁有人應佔虧損約100,804,000港元及192,725,000港元，而於二零二三年十二月三十一日，本集團有流動負債淨額24,137,000港元。此外，誠如綜合財務報表附註30所披露，本集團與中國稅務局要求的稅款有重大或然負債。倘潛在責任實現，本集團於二零二三年十二月三十一日可能沒有足夠的現金及銀行結餘約47,272,000港元履行責任。該等情況表明存在重大不確定性，可能對本集團持續經營的能力產生重大疑惑。

為評估持續經營，本公司董事已編制本集團自報告期末起十二個月期間的現金流量預測（「現金流量預測」），其中包括紓緩流動資金壓力及改善財務狀況的計劃及措施。此外，本集團於報告期後取得其中一間主要往來銀行的意向書，根據該意向書，本集團可就自二零二三年十二月三十一日起不少於十二個月獲得貸款融資最高金額約人民幣300,000,000元。根據意向書及現金流量預測，假設計劃及措施能夠如期成功實施，董事認為，本集團能夠持續經營，並將有足夠的財務資源為本集團的運營提供資金並於到期時履行其財務責任。因此，以持續經營基準編制綜合財務報表屬適當。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDITOR'S REMUNERATION

An analysis of the remuneration payable/paid to the external auditor of the Group, ZHONGHUI ANDA CPA Limited in respect of audit services and non-audit services for the year ended 31 December 2023 is set out below:

Service Category	服務類別	Fees Payable/Paid 應付／已付費用 HK\$ 港元
Audit Services	審核服務	1,500,000
Non-audit Services	非審核服務	-
		<hr/> 1,500,000 <hr/>

COMPANY SECRETARY

Mr. Wong Ming Chun was removed as the company secretary of the Company on 19 March 2024. Mr. Chan Wai Man was appointed as the company secretary of the Company on 19 March 2024.

Mr. Chan is a member of the Institute of Chartered Accountants in England and Wales and also a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Chan has experiences in auditing, taxation and finance. Mr. Chan is an independent non-executive director of Luxking Group Holdings Limited, which is listed on the Singapore Exchange Limited (Trading code: BKK) an independent non-executive director of Sunny Side Up Culture Holdings Limited, which is listed on GEM of The Stock Exchange of Hong Kong Limited (Stock code: 8082).

The company secretary is responsible for advising the Board on governance matters and also facilitates induction and professional development of the directors. The company secretary reports to the Chairman of the Board. All Directors have access to the advice and services of the company secretary. The company secretary has day-to-day knowledge of the Company's affairs and is also responsible for ensuring the procedures of the Board meetings are observed. During the reporting period, the company secretary had undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

核數師之薪酬

本集團外聘核數師中匯安達會計師事務所有限公司就截至二零二三年十二月三十一日止年度之審核服務及非審核服務之應付／已付薪酬分析載列如下：

公司秘書

王名俊先生於二零二四年三月十九日被罷免本公司之公司秘書職務。陳偉民先生於二零二四年三月十九日委任為本公司之公司秘書。

陳先生為英格蘭及威爾斯特許會計師公會之會員，亦為香港會計師公會及英國特許公認會計師公會之資深會員。陳先生於核數、稅務及財務方面擁有經驗。陳先生為新加坡交易所上市公司Luxking Group Holdings Limited (交易代碼：BKK)之獨立非執行董事及香港聯合交易所有限公司GEM上市公司光尚文化控股有限公司(股份代號：8082)之獨立非執行董事。

公司秘書負責就管治事宜向董事會提出意見，並協助董事就任及其專業發展。公司秘書向董事會主席匯報。全體董事均可取得公司秘書之意見及服務。公司秘書熟悉本公司之日常事務，亦負責確保遵守董事會會議程序。於報告期間，公司秘書已遵守上市規則第3.29條接受不少於15小時之相關專業培訓。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of the corporate information, which will enable shareholders and investors to make the best investment decisions. The Company endeavours to maintain an on-going dialogue with shareholders and in particular, through annual general meetings and other general meetings.

The Chairman of the Board, all the Independent Non-executive Directors, and the chairmen of all Board committees (or their delegates) will make themselves available at the annual general meetings to meet shareholders and answer their enquiries.

During the year ended 31 December 2023, the Company amended its Articles of Association on 5 June 2023. Details of the amendments are set out in the circular of the Company dated 28 April 2023. An up-to-date version of the Articles of Association is available on the websites of the Company and of the Stock Exchange.

SHAREHOLDERS' RIGHTS

The Company engages with shareholders through various communication channels.

To safeguard shareholders' interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

與股東溝通及投資者關係

本公司深信，與股東保持有效溝通，對促進投資者關係及加深投資者對本集團業務表現及策略瞭解至為重要。本公司亦明白公司資料透明度及及時披露的重要性，將使股東及投資者作出最佳投資決定。本公司盡力保持與股東之間的對話，尤其是透過股東週年大會及其他股東大會。

董事會主席、全體獨立非執行董事及所有董事委員會之主席(或彼等之代表)將出席股東週年大會，與股東見面並回答彼等之提問。

截至二零二三年十二月三十一日止年度，本公司於二零二三年六月五日修訂其章程細則。修訂詳情載於本公司日期為二零二三年四月二十八日之通函。章程細則之最新版本已刊載於本公司及聯交所網站。

股東之權利

本公司以各種溝通渠道與股東接觸。

為保障股東之利益及權利，本公司會就各項獨立重大問題(包括選舉個別董事)於股東大會提呈獨立決議案。根據上市規則，所有於股東大會上提呈之決議案須以投票方式表決，投票結果將於各股東大會舉行後在本公司及聯交所之網站上刊登。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS (Continued)

Convening an Extraordinary General Meeting by Shareholders

Under Article 58 of the Company's Articles of Association, any one or more shareholders holding at the date of the 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 may at all times have the right, by written requisition to the Board or the company secretary of the Company, to require the convening of 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 after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting Forward Proposals at General Meetings

The Board is not aware of any provisions allowing the shareholders of the Company to put forward proposals at general meetings of the Company under the Company's Articles of Association and the Cayman Islands Companies Law. Shareholders who wish to put forward proposals at general meeting may refer to the preceding paragraph to make a written requisition to require the convening of an extraordinary general meeting of the Company.

Detailed procedures for shareholders to propose a person for election as a Director of the Company are published on the Company's website.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, shareholders may send written enquiries to the Company.

Note: The Company will not normally deal with verbal or anonymous enquiries.

股東之權利 (續)

股東召開股東特別大會

根據本公司之組織章程細則第58條，一名或多名於遞呈請求當日持有不少於本公司有權於股東大會上投票之繳足股本十分之一的股東，於任何時候均有權以書面形式向本公司之董事會或公司秘書提呈請求，以要求董事會就該請求書所指定之任何事務交易召開股東特別大會，而該大會須於遞呈該請求書後兩個月內舉行。倘於有關遞呈後21日內，董事會未有召開該大會，則遞呈請求人士可以相同方式召開大會，而本公司須向遞呈請求人士償付所有由遞呈請求人士因董事會未能召開大會而產生之所有合理開支。

於股東大會上提呈議案

董事會並不知悉本公司之組織章程細則及開曼群島公司法有任何條文允許本公司股東於本公司之股東大會上提呈議案。股東擬於股東大會上提呈議案，可參照前段所述遞呈請求書以要求召開本公司股東特別大會。

有關股東提名候選董事的程序詳情已刊載於本公司網站。

向董事會作出查詢

關於向本公司董事會作出任何查詢，股東可將書面查詢發送至本公司。

附註：本公司通常不會處理口頭或匿名的查詢。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS (Continued)

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Workshops E, F and H, 22nd Floor
Superluck Industrial Centre (Phase 2)
No. 57 Sha Tsui Road and
Nos. 30–38 Tai Chung Road, Tsuen Wan
New Territories
Hong Kong
(For the attention of the Chief Executive Officer/
Company Secretary)

Fax: (852) 2414 5508

Email: hopfung@hopfunggroup.com

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

POLICIES RELATING TO SHAREHOLDERS

The Company has in place a Shareholders' Communication Policy to ensure that shareholders' views and concerns are appropriately addressed. The Company has reviewed the Shareholders' Communication Policy and considered that the policy was effectively implemented with the measures as disclosed under paragraphs headed "Communications with Shareholders and Investors" and "Shareholder Rights" during the year ended 31 December 2023.

The Board has adopted a dividend policy pursuant to code provision F.1.1 of the CG Code which aims at setting out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the shareholders of the Company as follows:

- In recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value.
- The Company does not have any pre-determined dividend payout ratio.

股東之權利(續)

聯絡資料

就上述而言，股東可發送其查詢或要求到下列的聯絡方法：

地址：香港
新界
荃灣沙咀道57號及
大涌道30–38號
荃運工業中心(第二期)
22樓E、F及H座
(註明收件人為行政總裁/
公司秘書)

傳真：(852) 2414 5508

電子郵件：hopfung@hopfunggroup.com

為免生疑，股東須存放及發出正式簽署之書面要求、通知或聲明或查詢(視情況而定)之正本到上述地址，並提供彼等全名、聯絡詳情及身份，以便本公司回覆。股東資料可能根據法律規定而予以披露。

與股東有關的政策

本公司制定股東通訊政策，以確保股東的意見和疑慮得到妥善處理。本公司已審閱股東通訊政策，並認為該政策於截至二零二三年十二月三十一日止年度內以「與股東溝通及投資者關係」及「股東權利」各段所披露的措施得到有效執行。

董事會已根據企管守則條文第F.1.1條採納股息政策，旨在設立原則及指引供本公司應用於宣派、派付或派發純利作為本公司股東之股息，詳情如下：

- 在建議或宣派股息時，本公司應維持足夠現金儲備，以應付其營運資金需求、未來增長以及其股東價值。
- 本公司沒有預設的派息比率。

CORPORATE GOVERNANCE REPORT

企業管治報告

POLICIES RELATING TO SHAREHOLDERS (Continued)

與股東有關的政策(續)

- The Board has the discretion to declare and distribute dividends to the shareholders of the Company, subject to the Articles of Association of the Company and all applicable laws and regulations and the factors set out below.
 - The Board shall also take into account the following factors of the Group when considering the declaration and payment of dividends:
 - o financial results;
 - o cash flow situation;
 - o business conditions and strategies;
 - o future operations and earnings;
 - o capital requirements and expenditure plans;
 - o interests of shareholders;
 - o any restrictions on payment of dividends; and
 - o any other factors that the Board may consider relevant.
 - Depending on the financial conditions of the Company and the Group and the conditions and factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period:
 - o interim dividend;
 - o final dividend;
 - o special dividend; and
 - o any distribution of net profits that the Board may deem appropriate.
 - Any final dividend for a financial year will be subject to shareholders' approval.
 - The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate.
 - Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Company's Articles of Association.
- 根據本公司組織章程細則、所有適用法例及法規及下列因素，董事會有權宣派及派發股息予本公司股東。
 - 董事會在考慮宣派及派付股息時，應同時考慮下列有關本集團的因素：
 - o 財務業績；
 - o 現金流狀況；
 - o 業務狀況及策略；
 - o 未來營運及盈利；
 - o 資金需求及支出計劃；
 - o 股東的利益；
 - o 任何派付股息的限制；及
 - o 董事會可能視為相關的任何其他因素。
 - 根據本公司及本集團的財務狀況以及上述條件及因素，董事會可能提議及/或宣佈一個財政年度或期間的股息：
 - o 中期股息；
 - o 末期股息；
 - o 特別股息；及
 - o 董事會認為適當的任何淨利潤分配。
 - 財政年度的任何末期股息須經股東批准。
 - 本公司可通過現金或以股代息或董事會認為適當的其他方式宣派及支付股息。
 - 任何未領取的股息將被沒收，並根據本公司組織章程細則歸還予本公司。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

1. SCOPE

The reporting period for this Environmental, Social and Governance report of the Group is from 1 January 2023 to 31 December 2023. It includes the Group's main business of corrugated paper board and product marketing across China. This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide contained in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Information regarding the Group's corporate governance structure and practices is set out in the Corporate Governance Report of this annual report.

The board of directors of the Company (the "Board") has overall responsibility for the effectiveness of the Company's ESG strategy and reporting. The Company has established a ESG work group comprised of senior management and staff members with adequate knowledge on ESG. The ESG working group facilitates the Board's oversight of ESG-related issues and has the responsibility for collecting and analysing ESG data, monitoring and evaluating the Group's ESG performance, ensuring compliance with ESG-related laws and regulations, and preparing ESG reports. The ESG working group arranges meeting periodically to discuss and review ESG-related issues including but not limited to the effectiveness of current Group's performance, ESG policies and procedures, ESG-related performance, as well as the progress made against the Group's ESG-related goals and targets in terms of sustainable development. The ESG working group reports to the Board periodically and assists the Board to discharge its oversight responsibility.

The Group has applied the following reporting principles in the Environmental, Social and Governance Reporting Guide as follows:

Materiality: A materiality assessment was conducted during the reporting period to identify significant issues, and the identified significant issues were listed as the focus of the preparation of this Environmental, Social and Governance report. The significance of the relevant issues has been reviewed and confirmed by the Board of Directors.

Quantitative: This Environmental, Social and Governance report is prepared in accordance with the Environmental, Social and Governance Reporting Guide, and the key performance indicators ("Key Performance Indicators") are disclosed in a quantitative manner. This report explains, where appropriate, the relevant standards, methods, assumptions and/or information referenced for calculations, as well as the main sources of conversion factors used for Key Performance Indicators.

1. 範圍

集團的環境、社會及管治報告的報告期為二零二三年一月一日至二零二三年十二月三十一日，內容包含集團旗下主要為瓦楞紙板，產品營銷全國各地的業務。本報告內容是按照香港聯合交易所有限公司證券上市規則附錄C2的環境、社會及管治報告指引編製。

有關本集團公司管治架構及常規的資料已載於本年報的企業管治報告。

公司董事會（「董事會」）對公司環境、社會及管治策略和報告的有效性全面負責。公司已成立由具有足夠環境、社會及管治知識的高級管理層和員工成員組成的環境、社會及管治工作小組。環境、社會及管治工作小組協助董事會對環境、社會及管治相關的議題進行監督，負責收集及分析環境、社會及管治數據、監控及評估集團的環境、社會及管治表現、確保遵守環境、社會及管治相關的法律法規並編制環境、社會及管治報告。環境、社會及管治工作小組定期安排會議，討論及審查環境、社會及管治相關問題，包括但不限於當前集團表現的有效性、環境、社會及管治政策及程序、環境、社會及管治相關表現以及集團環境、社會及管治相關目標的進展情況以及可持續發展的目標。環境、社會及管治工作小組定期向董事會報告並協助董事會履行監督職責。

本集團在環境、社會及管治報告指引中應用了該等報告原則如下：

重要性：報告期間內進行重要性評估，以識別重大事宜，將已確認的重大事宜列作編製本環境、社會及管治報告的重點。有關事宜的重要性已由董事會審閱及確認。

量化：本環境、社會及管治報告按照環境、社會及管治報告指引編製，而關鍵績效指標「關鍵績效指標」以量化方式披露。本報告於適當情況對有關標準、方法、假設及／或計算參考之資料，以及關鍵績效指標所用主要轉換因素來源作出說明。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

1. SCOPE (Continued)

Balance: This Environmental, Social and Governance report is prepared in an objective and fair manner to ensure that the information disclosed fairly reflects the overall environmental, social and governance performance of the Group.

Consistency: The statistical methods used in this Environmental, Social and Governance report are generally consistent with those used last year to allow for meaningful comparisons. Any changes that affect comparison with the previous report will be explained in the corresponding sections of this Environmental, Social and Governance report.

2. COMMUNICATION WITH STAKEHOLDERS

Materiality assessment is carried out by discussing the environmental, social and governance expectations and feedback of key stakeholders in order to understand their views, carefully consider and respond to their needs and expectations, evaluate and prioritize their feedback on improving performance and ultimately strive to create value for stakeholders. Effective risk management and internal control systems in these areas have been strengthened with the aim of improving operational efficiency and delivering environmental and social benefits to stakeholders.

The Company's annual general meeting and/or other general meetings (if any) have provided an effective platform for the Board of Directors and shareholders to exchange insights. Apart from general meetings, in order to maintain a close relationship with the stakeholders, such as clients and suppliers, the Company would seek the opinions and understand the needs of the stakeholders through visits, telephone conferences, e-mails, follow-ups from customer service, questionnaires and other ways on a regular basis. The Group's overall performance would also be reported to the investors through this annual report.

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE

3.1 Environment

The Group endeavors to minimize energy consumption through its operation, reduce greenhouse gas emissions and waste emission in order to minimize its impact on the environment. The Group strengthens its management in energy conservation and emission reduction and infiltrated such practices into its various operations.

1. 範圍(續)

平衡性：本環境、社會及管治報告乃按客觀公正的方式編製而成，確保所披露資料中肯反映本集團之整體環境、社會及管治表現。

一致性：本環境、社會及管治報告所用統計方法總體與去年所用者一致，以進行有意義的對比。任何影響與上期報告比較的變動將會於本環境、社會及管治報告相應章節說明。

2. 與持份者溝通

透過討論主要持份者有關環境、社會及管治的預期及反饋進行重要性評估，以知悉彼等的意見、審慎考慮並對彼等的需求及期望作出回應、評估及優先考慮彼等對提高表現反饋的信息，且最終致力為持份者創造價值。有關方面的有效風險管理及內部控制系統得以加強，旨在提高運營效率並為持份者帶來環境及社會效益。

本公司每年的股東週年大會及／或其他股東大會(如有)，提供了一個有效的平台給董事會與股東交流意見。除了股東大會外，為保持與客戶、供應商等持份者的緊密關係，本公司不時透過拜訪、電話會議及電郵、客戶服務人員跟進、問卷調查及其他方式，以聆聽各持份者的意見及瞭解其需求。集團的整體業績表現亦透過本年報向各投資者作出匯報。

3. 環境、社會及管治表現

3.1 環境

集團致力將其營運中的能源消耗減至最少、減少溫室氣體排放及廢棄物排放，盡量減少其對環境的影響。集團加強對能源節約及減排的管理，並將該等做法滲入其各種營運中。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.1 Environment (Continued)

3.1.1 Emissions

Non-Hazardous Waste Minimization

Minimizing waste generation from its source, reusing and recycling waste before disposal are the principles addressed by the Group's waste management policy.

As for waste control, in order to minimize environmental impact, the Group devotes itself to reducing waste. The Group has established a set of fixed control procedures for wastes, and has required each department to assort wastes for collection and store any wastes generated. The recycled wastes including scrap metal, scrap pallets, scrap powder bag and waste plastic barrel are collected and reprocessed by qualified licensed collectors. In addition, the Group's factory also recycles waste paper bags and tubes as renewable resources to reduce the amount of non-hazardous waste.

Hazardous Waste Minimization

The Group has strictly implemented the "Cleaner Production Promotion Law" of the People's Republic of China and the relevant provisions which increase the efficiency of the utilization rate of resources, reduce and avoid the generation of pollutants and protect and improve the environment. In the procurement of raw materials, non-toxic, harmless and environmentally friendly materials should be selected to minimize the generation of hazardous waste.

3. 環境、社會及管治表現 (續)

3.1 環境 (續)

3.1.1 排放物

減少無害廢棄物

從源頭開始致力減少廢棄物的產生，並於棄掉前循環再用及回收乃集團廢棄物管理政策所採納的原則。

廢棄物控制方面，為盡量減低對環境的影響，集團致力於減少浪費。集團對於廢棄物設立一套既定的控制程序，要求各部門將廢棄物進行分類以便集中貯存。可回收的廢棄物包括廢金屬、廢卡板、廢包裝袋及廢膠桶等，及後會由合資格持牌回收商收集處理。此外，集團廠房亦會回收廢紙包、廢紙筒作為再生資源，以減少無害廢棄物。

減少有害廢棄物

集團嚴格執行《中華人民共和國清潔生產促進法》及相關規定，提高資源使用率的效能、減少及避免污染物的產生、保護及改善環境。在原材料的採購過程中，選用無毒、無害及綠色環保的物料，以減少有害廢棄物的產生。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.1 Environment (Continued)

3.1.1 Emissions (Continued)

Hazardous Waste Minimization (Continued)

Figure 1

Types of Wastes	廢棄物種類	Total Annual Emissions (tonnes) 年度總排放量 (噸)	
		2023 二零二三年	2022 二零二二年
Hazardous Waste	有害廢棄物	-	2
Non-hazardous Waste	無害廢棄物	-	-

Type of Wastes	廢棄物種類	Waste Intensity per Employee (tonnes/person) 平均每位僱員所產生廢棄物密度 (噸/人)	
		2023 二零二三年	2022 二零二二年
Hazardous Waste	有害廢棄物	-	0.01
Non-hazardous Waste	無害廢棄物	-	-

Hazardous Waste

During the reporting period, the Group did not produce material amounts of hazardous and non-hazardous wastes.

Reduction in Atmospheric Emissions

The Group utilized clean energy as fuel, with carbon dioxide and water vapor as the main emissions.

Natural gas boilers use clean energy as fuel (natural gas). There is no waste residue that needs to be stored, which can save space. The thermal efficiency of gas boilers reaches about 95%. Reducing the waste of fuel can save energy. Gas boilers do not produce hazardous gases and soot during operation, which alleviates air pollution. Using this facility will result in more complete combustion, with very little dust in the flue gas, reducing environmental pollution and ensuring that air pollutants are discharged up to standard.

3. 環境、社會及管治表現 (續)

3.1 環境 (續)

3.1.1 排放物 (續)

減少有害廢棄物 (續)

圖一

Types of Wastes	廢棄物種類	Total Annual Emissions (tonnes) 年度總排放量 (噸)	
		2023 二零二三年	2022 二零二二年
Hazardous Waste	有害廢棄物	-	2
Non-hazardous Waste	無害廢棄物	-	-

Waste Intensity per Employee (tonnes/person) 平均每位僱員所產生廢棄物密度 (噸/人)

Type of Wastes	廢棄物種類	Waste Intensity per Employee (tonnes/person) 平均每位僱員所產生廢棄物密度 (噸/人)	
		2023 二零二三年	2022 二零二二年
Hazardous Waste	有害廢棄物	-	0.01
Non-hazardous Waste	無害廢棄物	-	-

有害廢棄物

於報告期內，本集團並無產生大量有害及無害廢棄物。

減少大氣排放物

集團採用清潔能源為燃料，主要排放物為二氧化碳和水蒸汽。

天然氣鍋爐以清潔能源為燃料(天然氣)，無廢渣產生需存放可節省空間、燃氣鍋爐熱效率達到95%左右，減少燃料的浪費可節能、燃氣鍋爐運行時不會產生有害氣體和煙塵，緩解空氣污染，使用該設施燃燒更充分，煙氣中粉塵量極少，減輕對境的污染，確保大氣污染物達標排放。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.1 Environment (Continued)

3.1.1 Emissions (Continued)

Packaging Material

During the reporting period, the use of packaging material was immaterial.

Reduction Emission of Greenhouse Gases ("GHG")

Reduction of Business Trips

The Group understands that business trips increase energy consumption and lead to an increase in GHG emissions. The group uses other effective means of communication to reduce GHG emissions that arise from additional traffic, including using phone and/or video conferencing, and encouraging employees to use public transport.

Procurement from Local Suppliers

Under the same business conditions (e.g. cost, quality, technology and services, environmental and other factors), the Group would give priority to local suppliers to reduce delivery distance and its resulting carbon emissions.

Control of Indoor Air Quality

Smoking is prohibited in the Group's factory and the offices to maintain good air quality. The Hong Kong office has been equipped with air freshening machine and ventilation system to improve air quality.

3. 環境、社會及管治表現 (續)

3.1 環境 (續)

3.1.1 排放物 (續)

包裝物料

於報告期內，包裝物料的使用量並不重大。

減少溫室氣體 (「溫室氣體」) 排放

減少商務出差

集團明白商務出差會增加能源消耗並導致溫室氣體排放的增加。集團使用其他有效的通訊方法以減少額外交通帶來的溫室氣體排放，包括使用電話及／或視頻會議，及鼓勵僱員乘搭公共交通工具。

向本地供應商進行採購

集團會在同等的商務條件下 (如成本、品質、技術和服務、環境等其他因素)，本著減少運輸距離和當中引致的碳排放，優先選擇本地供應商。

室內空氣質素控制

集團廠房及辦公室實施全面禁煙，以保持良好空氣質素。香港辦公室已配備空氣清新機及抽氣系統以改善空氣質素。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.1 Environment (Continued)

3.1.1 Emissions (Continued)

Reduction Emission of Greenhouse Gases ("GHG") (Continued)

Control of Indoor Air Quality (Continued)

During the reporting period, the Group has strictly complied with the relevant environmental protection regulations and no violation of environmental protection regulations was found. The sources and emission volumes of GHG generated during the period were as follows:

Figure II

GHG Emissions Sources	溫室氣體排放來源	Amount 數量	
		2023 二零二三年	2022 二零二二年
Direct emissions (Scope 1) ("tCO ₂ e")	直接排放(範圍1) (「噸二氧化碳當量」)	54.67	54.07
Indirect emissions (Scope 2) ("tCO ₂ e")	非直接排放(範圍2) (「噸二氧化碳當量」)	1,524.76	20.71
Total GHG emissions (tonnes carbon dioxide equivalent ("tCO ₂ e"))	溫室氣體排放總量(噸二氧化碳當量(「噸二氧化碳當量」))	1,579.43	74.78
GHG emission intensity per employee (tCO ₂ e/person)	平均每位僱員所產生溫室氣體排放密度(噸二氧化碳當量/人)	8.73	0.89

To reinforce the Group's commitment to reduce GHG emissions, it has set a target of maintaining its total GHG emissions intensity to be not more than the 2022 baseline.

減少溫室氣體(「溫室氣體」)排放(續)

室內空氣質素控制(續)

於報告期間，集團嚴謹地遵從相關環境保護法規，並無違反環保法例。期內所產生溫室氣體的來源及排放量如下：

圖二

為加強集團減少溫室氣體排放的承諾，其制定了溫室氣體總排放密度保持在不超過二零二二年基線的目標。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.1 Environment (Continued)

3.1.2 Use of Resources

The Group's business belongs to green industry. Thus considerable attention is paid to environmental protection to ensure reasonable and efficient use of energy and resources.

Energy Conservation Measure

Basically, the Group is only equipped with low-power electrical equipment with less power consumption to reduce carbon emission. In the procurement process of electrical appliances, priority is given to energy-saving products such as refrigerators and washing machines which had grade 1 label of energy-saving logos.

Gradually all light bulbs have been replaced by LED luminaires to reduce energy consumption. They also reduce the generation of harmful waste by replacing traditional luminaires with shorter life cycle. According to the energy saving policies, lighting devices, air-conditioners and printers are temporarily switched off during lunch time to preserve energy.

Furthermore, the air-conditioning system has been set to operate only during business hours with temperature maintained at a reasonable level (e.g. 25 degrees Celsius). Energy consumption in 2023 was at approximately the same level as in 2022. Apart from facility control, energy-saving slogans have been posted at office entrances.

Water Conservation Measure

With regard to the use of water resources, the Group has carried out regular inspection to reduce water consumption. At the same time it formulates monitoring control whereby abnormal water consumption will be investigated. Water conservation slogans are also posted to raise employee awareness of water conservation and to remind employees and visitors to conserve water.

3. 環境、社會及管治表現 (續)

3.1 環境 (續)

3.1.2 資源使用

集團業務屬於綠色產業，因此相當重視環境保護以確保能源及資源的合理及有效使用。

節約能源措施

本集團基本上僅採用耗電少的低功耗電力設備，以減少碳排放。在電器的採購過程中，優先選擇節能產品，如擁有一級節能標誌的冰箱及洗衣機。

所有燈泡逐步被LED燈具取代，以減少能源消耗。通過取代較短壽命的傳統燈具，亦可減少有害廢棄物產生。根據節能政策，在午膳期間會暫時關掉照明設備、空調及打印機以節約能源。

此外，空調系統已設定僅在上班時間運行，且溫度維持在合理水平（例如攝氏25度）。於二零二三年，能源消耗與二零二二年相若。除設備控制外，辦公室入口已張貼節能標語。

節約用水措施

對於水資源的使用，集團進行定期檢查以減少耗水量，同時制訂監控措施，調查非正常用水的原因。集團更張貼節約用水標語以提高僱員的節約用水意識及提醒僱員和訪客節約用水。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.1 Environment (Continued)

3.1.2 Use of Resources (Continued)

Water Conservation Measure (Continued)

In FY2023, the Group did not face any problems in sourcing water fit for its purpose.

In the process of manufacturing corrugated paper boards, many production sections consume relatively large amounts of water. ❶ Clean water during boiler operation; ❷ Washing wastewater from the cardboard production line; ❸ Condensation wastewater from the cardboard line; ❹ Rainwater is collected in a unified manner. The wastewater is processed by the recycling system to meet standards and supplied to the fabric beating room for beating or factory toilets to reduce wastewater generation and water consumption. Technical transformation of the equipment in the factory has been carried out to increase the water reuse rate and reduce the discharge of waste water.

Office Resource Conservation

The Group actively promotes electronic documentation to implement the concept of a paperless office. Computer files are used instead of hardcopies to reduce the use of paper in offices. The Group also encourages employees to adopt other recognized management practices to avoid excessive use of resources by the Group's offices such as (1) re-usable eating utensils instead of disposable ones, (2) using single-side printed paper as draft paper, (3) encouraging double-side printing, (4) collecting waste office paper for recycling, and (5) collecting and returning empty ink cartridges to the qualified licence suppliers for recycling. Concurrently, those scrap paper and confidential documents must be shredded and stored at the recycling station, and finally passed to the qualified licence recyclers on a regular basis.

3. 環境、社會及管治表現 (續)

3.1 環境 (續)

3.1.2 資源使用 (續)

節約用水措施 (續)

於二零二三年財年，集團求取適用水源方面並無面臨任何問題。

在製造瓦楞紙板生產過程中，多個生產環節用水量比較大，❶鍋爐運行中清潔下水；❷紙板生產線洗機廢水；❸紙板生產線冷凝廢水；❹雨水等均有統一收集，經回收系統處理達標的廢水供應給打漿房打漿使用或車間廁所使用，以減少廢水的產生及耗水量。對廠內的設備進行技術改造，提高了重複用水率及減少廢水的排放量。

節約辦公室資源

集團積極提倡電子文件以貫徹無紙辦公室的概念，使用電腦文件而非紙質版以減少辦公室紙張耗材的使用。集團亦鼓勵僱員採取其他公認的管理措施以避免集團辦公室過度使用資源，如(1)可重複使用餐具取代一次性餐具；(2)單面印刷紙用作草稿紙；(3)鼓勵雙面印刷；(4)回收辦公室廢紙進行循環利用；及(5)回收並向合資格持牌供應商退還空墨盒進行循環使用。同時，該等廢紙及機密文件必須切碎並儲存在回收站，最後定期交給合資格持牌回收商。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.1 Environment (Continued)

3.1.2 Use of Resources (Continued)

During the reporting period, the key resources consumed in the Group's operations were summarized as follows:

Figure III

Resources	資源	Total Annual Consumption 年度總消耗量	
		2023 二零二三年	2022 二零二二年
Electricity (kWh)	電力(千瓦時)	2,686,476.2	50,621
Water (cubic metre)	水(立方米)	28,803	-

Figure IV

Resources	資源	Consumption Intensity per employee 每位僱員消耗強度	
		2023 二零二三年	2022 二零二二年
Electricity (kWh/person) (Note 1)	電力(千瓦時/人)(附註1)	14,842.4	602.63
Water (cubic metre/person)	水(立方米/人)	159.13	-

Note:

- The data of electricity consumption only refers to the volume of purchases from outsiders.

To reinforce the Group's commitment to efficient energy use, the Group has set a target of maintaining its electricity consumption intensity to be not more than the 2022 baseline.

3. 環境、社會及管治表現(續)

3.1 環境(續)

3.1.2 資源使用(續)

於報告期間，集團業務消耗的主要資源概述如下：

圖三

Resources	資源	Total Annual Consumption 年度總消耗量	
		2023 二零二三年	2022 二零二二年
Electricity (kWh)	電力(千瓦時)	2,686,476.2	50,621
Water (cubic metre)	水(立方米)	28,803	-

圖四

Resources	資源	Consumption Intensity per employee 每位僱員消耗強度	
		2023 二零二三年	2022 二零二二年
Electricity (kWh/person) (Note 1)	電力(千瓦時/人)(附註1)	14,842.4	602.63
Water (cubic metre/person)	水(立方米/人)	159.13	-

附註：

- 以上之電力使用量乃為外購電力數據。

為加強集團對高效使用能源的承諾，集團制定了其電力使用量密度保持在不超過二零二二年基線的目標。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.1 Environment (Continued)

3.1.3 The Environment and Natural Resources

The Group understands the concerns of our society on environmental issues; thus, it has implemented the following green manufacturing and green procurement policies:

Green Procurement Policy

As the main material for production of the Group is recycled waste paper, it should be non-toxic and non-hazardous. The Group requires suppliers to provide a Restriction of Hazardous Substances (ROHS) test report annually to ensure that their products meet the environmental protection requirement.

Green Manufacturing Policy

The Group is committed to reducing its impact on the environment and natural resources. The Group has been accredited with ISO 9001:2015 certification for its quality management system, and continuously improves its management of the environment. Various exhausts, wastewater, solid wastes and noises from the production sites have been strictly controlled by government laws and regulations.

In addition, the Group's factory has set up a safety and environmental incident emergency rescue team for safety and environmental incident issue, and has conducted different emergency drills. It has also established contingency plans with corresponding emergency preparations and responses dealing with emergency to cope with various urgent environmental safety incidents.

3. 環境、社會及管治表現 (續)

3.1 環境 (續)

3.1.3 環境及自然資源

集團瞭解社會對環保問題的關注，因此我們提倡下列的綠色製造及綠色採購政策：

綠色採購政策

由於集團的主要生產原材料為原紙，原紙應該是無毒及無害。集團要求供應商每年提供限制使用某些有害物質指令(ROHS)檢測報告，以確保其產品符合環保要求。

綠色製造政策

集團致力於減少其對環境及自然資源的影響。集團已取得ISO 9001:2015質量管理體系的認證，並持續改進其環境管理。生產現場的各種廢氣、廢水、固體廢物以及噪音已嚴格按照政府法律法規控制。

此外，集團廠房就安全與環保事故問題成立了安全與環保事故應急救援隊伍，且已進行不同應急演練。為應付各種緊急的環境安全事故，集團廠房亦制訂了突發環境事件應急預案及相應的應急準備和回應。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.1 Environment (Continued)

3.1.3 The Environment and Natural Resources (Continued)

Green Manufacturing Policy (Continued)

Concurrently, the Group is also equipped with specialized facilities for wastewater treatment. And it has also established clear pollutant treatments and operating instructions which monitor the facilities on real-time basis and record the results in detail.

The Group would carry out regular inspections on the key pollution control facilities to ensure its normal operation. According to the provisions of the Law of Environmental Protection of the People's Republic of China, the Group makes environmental impact assessment on construction projects in the Group's factory and strictly complies with government emission regulations. All pollutants after processing have been discharged in standards.

3.1.4 Climate Change

The Group is aware that there are significant and well known risks associated with climate change and global warming and understands that stakeholders expect us to be managing and mitigating climate change risks in line with local and global commitments and recommendations. While we operate in industries that are not directly affected by the physical effects of climate change, we recognise that the impacts of climate change are varied and long-ranging as we move to a low carbon economy and changes in society, customers and markets and regulatory responses could prevent us from meeting our strategic objectives and could result in adverse operational, compliance and financial impacts.

3. 環境、社會及管治表現 (續)

3.1 環境 (續)

3.1.3 環境及自然資源 (續)

綠色製造政策 (續)

同時，集團亦設有專門的廢水回用處理設施，並建立了明確的污染物處理方法和作業指導書，實行即時監控設施並將結果詳細記錄。

集團針對廠內的重點污染控制設施進行定期的監測，保證設施的正常運行。根據《中華人民共和國環境保護法》，集團對集團廠房的建設專案進行了環境影響評估，並嚴格執行政府排放規定。排放經處理後的所有污染物均符合監管規定。

3.1.4 氣候變化

集團意識到與氣候變化和全球預警相關的風險重大且眾所周知，並明白持份者期望我們根據當地和全球承諾和建議來管理及緩解氣候變化的風險。雖然我們從事的行業並未直接受到氣候變化物理影響的影響，但我們認識到，隨著我們轉向低碳經濟以及社會、客戶、市場和監管部門的應對，氣候變遷的影響多變且持久，亦可能妨礙我們實現戰略目標，對營運、合規情況及財政產生不利影響。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.1 Environment (Continued)

3.1.4 Climate Change (Continued)

In order to reduce carbon emissions in business operations and jointly cope with climate change, the Group actively advocates the green policy of sustainable development and strives to save energy, water, paper and other resources within its capacity. We proactively raised our staff's environmental awareness and implemented relevant measures in energy saving and reducing emission in daily operation so as to establish a low-carbon office.

Thus, climate change risks are considered by the Board to be an emerging material risk and oversight is given to the senior management who is developing an overarching climate change strategy to reduce greenhouse gas emissions and assist with the movement to a lower carbon economy with policies and procedures to manage such potential risks.

3.2 Society

3.2.1 Employment

Apart from complying with the local employment regulations, the Group has formulated relevant employment policies to ensure employees are treated in a fair and reasonable manner.

Recruitment and Promotion

The Group ensures that the recruitment process is in compliance with the legislation and free from discrimination. All candidates have been treated equally. During recruitment, it has been stipulated to prohibit discrimination against factors such as race, ethnicity, social class, nation, religion, disability, gender, sexual orientation, marital status, age, membership in trade union or political party.

3. 環境、社會及管治表現 (續)

3.1 環境 (續)

3.1.4 氣候變化 (續)

為了於業務營運中減少碳排放及共同應對氣候變化，集團積極地提倡可持續發展的綠色政策，致力在能力範圍內節省能源、用水、紙張及其他資源。我們積極提高員工的環境意識，並於日常營運中實施節能減排的有關措施，以建立低碳辦公室。

因此，董事會視氣候變化風險為一項新興重大風險，並監管高級管理層對全面的氣候變化策略的制定，以減少溫室氣體排放，並透過管理該等潛在風險的政策及程序以協助過渡至低碳經濟。

3.2 社會

3.2.1 僱傭

除了遵守當地的僱傭法規要求外，集團亦制訂相關的僱傭政策，保障僱員獲得公平合理的待遇。

招聘及晉陞

集團確保招聘程序符合法律規定且無歧視。所有應徵者均平等對待。招聘中規定禁止種族、民族、社會階層、國家、信仰、殘疾、性別、性傾向、婚姻狀況、年齡、公會或政黨成員等因素的歧視。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.2 Society (Continued)

3.2.1 Employment (Continued)

Recruitment and Promotion (Continued)

Employees would be promoted in accordance with the Group's rules and regulations, through fair and impartial performance appraisal, to ensure equal opportunities for promotion.

Compensation and Welfare

The Group pays compensation and welfare to employees in strict compliance with relevant laws and regulations, including the statutory minimum wages, legal calculation for overtime compensation, social insurance paid for employees, statutory holidays, paid annual leave and paid maternal leave.

In addition, whenever compensation to the employee at work is required, the Group would implement in strict compliance with the relevant laws and regulations.

Employee Benefits

Employees would be entitled to insurance, medical benefits, share options as well as discretionary bonus. The Group offers holiday benefits to employees.

During the reporting period, the Group did not make any legal violation or discrimination.

3. 環境、社會及管治表現 (續)

3.2 社會 (續)

3.2.1 僱傭 (續)

招聘及晉陞 (續)

僱員將根據集團的規章制度，透過公平公正的績效考核進行晉陞，以確保晉陞中獲得平等對待。

賠償及福利

本集團嚴格遵守相關法律法規向僱員支付補償金及福利，包括法定最低工資、加班補償金的合法計算、為僱員支付的社會保險，法定假日、有薪年假及有薪產假。

此外，倘需向在職員工作出補償，本集團將嚴格執行相關法律法規。

僱員福利

僱員將享有保險、醫療福利、購股權及酌情花紅。本集團會在節日發放福利。

於報告期間，本集團未發現任何違反法律或與歧視相關的違規行為。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.2 Society (Continued)

3.2.1 Employment (Continued)

As of 31 December 2023, the total number and distribution of employees were summarized as below:

Figure V

Gender	性別	Number of Employees 僱員數目	
		2023 二零二三年	2022 二零二二年
Male	男性	135	64
Female	女性	46	20
Employment Type			
	僱傭類別		
Full Time	全職	181	84
Part Time	兼職	-	-
Age group			
	年齡組別		
18-24	18至24歲	7	1
25-34	25至34歲	24	11
35-44	35至44歲	47	28
45-54	45至54歲	62	29
55-64	55至64歲	39	13
>65	>65歲	2	2
Total	總計	181	84

3. 環境、社會及管治表現 (續)

3.2 社會 (續)

3.2.1 僱傭 (續)

於二零二三年十二月三十一日，僱員總數及分佈情況概述如下：

圖五

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.2 Society (Continued)

3.2.1 Employment (Continued)

Figure VI

Gender	性別	Average Monthly Employee Turnover Rate (%) 月均僱員流失率(%)	
		Average 2023 二零二三年	Average 2022 二零二二年
Male	男性	5.19	40.89
Female	女性	0	33.33

Age group	年齡組別	Average Average 平均值	
		2023 二零二三年	2022 二零二二年
18-24	18至24歲	0	50
25-34	25至34歲	12.5	75.76
35-44	35至44歲	4.26	34.23
45-54	45至54歲	0	36.78
55-64	55至64歲	5.13	28.21
>65	>65歲	0	4.17
Overall Average	整體平均值	3.87	39.09

3.2.2 Health and Safety

The Group has implemented an occupational health and safety management system which takes different measures to minimize the occurrence of occupational illness and industrial injury.

3. 環境、社會及管治表現 (續)

3.2 社會 (續)

3.2.1 僱傭 (續)

圖六

Average Monthly Employee Turnover Rate (%) 月均僱員流失率(%)

Average
平均值

2023
二零二三年

2022
二零二二年

Average 平均值

2023
二零二三年

2022
二零二二年

3.2.2 健康與安全

集團實施職業健康安全管理體系，使用不同的措施降低職業病與工傷的發生。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.2 Society (Continued)

3.2.2 Health and Safety (Continued)

Occupational Health and Safety Policy

The Group has formulated a set of safety production management, including first-aid and self-help knowledge after the occurrence of an accident. In the Group's factory, it has set up a safety team and provided three levels of safety training on regular basis namely Factory Level, Departmental Level and Group Level which are led by the departmental heads and safety officers.

Volunteer fire brigades have been set up in the Group's factory for safety purpose. Apart from this, the Group also installs CCTV in various locations such as warehouse, materials storage to reduce the risk from any accident.

Workplace Safety Management

The Group has assessed safety risks in the workplaces and has formulated corresponding operating rules to manage the health and safety hazards posed to employees as follows:

1. Operating procedures are set up for all level positions, for example, regulations of operations management for safe work in confined space and the procedures for operating machinery to protect the safety of employees;
2. Safety officers would regularly inspect fire protection facilities and safety facilities to ensure they can function properly;
3. Protective equipment is provided to employees such as masks, earplugs, plastic gloves and anti-smashing shoes;
4. Emergency exits are kept clear to prevent obstruction.

3. 環境、社會及管治表現 (續)

3.2 社會 (續)

3.2.2 健康與安全 (續)

職業健康及安全政策

集團制訂了一套安全生產管理，包括發生事故後的緊急救護和自救常識。在集團廠房成立了安全小組，並定期提供三級安全培訓，即廠級、部門級及班組級，並由各部門負責人及安全主任領導。

基於安全考慮，集團廠房設立了義務消防隊。除此之外，集團在廠區內不同區域（如倉庫、放置物料區等）安裝了閉路電視，以減少任何意外所帶來的風險。

工作場所安全管理

集團評估了工作場所的安全風險，並制訂了相應的作業規則，以管理對僱員構成的健康及安全危害，包括以下數項：

1. 各級別崗位均有操作規程，如有限空間安全作業管理規定及操作機器系統規程，以保障僱員安全；
2. 安全主任會不時巡查消防設施及安全設施，以確保其運作正常；
3. 為僱員提供防護用品，如口罩、耳塞、膠手套及防砸鞋；
4. 保持緊急通道暢通無阻。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.2 Society (Continued)

3.2.2 Health and Safety (Continued)

Employee Safety Training

The Group provides suitable training to ensure effective implementation of operating rules and safe operation of equipment. Moreover, all new employees must take training in knowledge of safety. The Group also arranges fire and emergency drills in the Group's factory on a regular basis to ensure employees are familiar with procedures when dealing with accidents.

Work-life Balance Management

The Group emphasizes on employee work-life balance and has regularly organized different activities for employees after work. There are recreational facilities in the Group's factory like sports ground, basketball court, billiard room, table tennis room and karaoke room.

No working hours (2023: 0 working hours) were lost due to work injuries during the reporting period and no work-related fatality was identified in the past three years including this reporting year. We have strictly abided by the related safety regulations and there were no cases of prosecution due to violation of related occupational safety regulations during the reporting period.

3. 環境、社會及管治表現 (續)

3.2 社會 (續)

3.2.2 健康與安全 (續)

僱員安全培訓

集團安排適當培訓，以確保有效地執行作業規則及設備的安全操作。此外，所有新入職人員必須接受安全知識培訓。集團亦定期安排集團廠房進行消防及應急演練，以確保僱員熟習緊急事故的處理方法。

工作生活平衡管理

集團重視僱員的工作與生活之間的平衡，定期為僱員組織工餘活動。集團廠房內設有運動場、籃球場、桌球室、乒乓球室、卡拉OK房等康樂設施。

於報告期間，集團沒有因工傷事件損失工時（二零二三年：0工時），並於過去三年（包括本報告年度）概無發現與工作相關的死亡事件。集團嚴格遵行相關的安全法例，報告期內並無因違反與職業安全相關的法例而被起訴的案件。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.2 Society (Continued)

3.2.3 Development and Training

Career Development Policy

The Group has established comprehensive training system that covers factory's rules and regulations, product workmanship, environmental protection and the relevant safety training. In addition, the Group emphasizes practical experiences and thus arranges team leaders, group leaders or experienced employees to guide new recruits in their work.

During the reporting period, the total number of employees attended training and the total number of training hours provided to employees were summarized as follows:

Figure VII

Gender	性別	Total number of trained employees 參加培訓的僱員總數	
		2023 二零二三年	2022 二零二二年
Male	男性	130	27
Female	女性	41	14
Employee Category 僱員分類			
Senior Management	高級管理	1	2
Middle Management	中層管理	4	4
Supervisor	主管	16	4
General Staff	一般員工	150	31

3. 環境、社會及管治表現 (續)

3.2 社會 (續)

3.2.3 發展及培訓

職業發展政策

集團建立了涵蓋工廠規章制度、產品工藝、環境保護及相關安全培訓的綜合培訓體系。此外，集團強調實踐，並安排團隊負責人、小組負責人或經驗豐富的員工在工作中指導新員工。

於報告期間，參加培訓的僱員總數及僱員完成培訓的總時數概述如下：

圖七

Gender	性別	Total number of trained employees 參加培訓的僱員總數	
		2023 二零二三年	2022 二零二二年
Male	男性	130	27
Female	女性	41	14
Employee Category 僱員分類			
Senior Management	高級管理	1	2
Middle Management	中層管理	4	4
Supervisor	主管	16	4
General Staff	一般員工	150	31

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.2 Society (Continued)

3.2.3 Development and Training (Continued)

Career Development Policy (Continued)

Figure VIII

Gender	性別	Total number of training hours completed by employees (Hours) 僱員完成培訓的總時數(小時)	
		2023 二零二三年	2022 二零二二年
Male	男性	775	167
Female	女性	245	68
Employee Category		僱員分類	
Senior Management	高級管理	6	26
Middle Management	中層管理	24	30
Supervisor	主管	95	73
General Staff	一般員工	895	106

During the reporting period, the total number of employees attended training was 171 and the total number of training hours provided to employees was 1,020. The average training hours for each employee were around 5.96 hours.

3. 環境、社會及管治表現(續)

3.2 社會(續)

3.2.3 發展及培訓(續)

職業發展政策(續)

圖八

	Total number of training hours completed by employees (Hours) 僱員完成培訓的總時數(小時)	
	2023 二零二三年	2022 二零二二年
Male	775	167
Female	245	68
Employee Category		僱員分類
Senior Management	6	26
Middle Management	24	30
Supervisor	95	73
General Staff	895	106

於報告期間，集團參加培訓的僱員總數為171名及全體僱員完成的培訓總時數為1,020小時。各僱員完成的平均培訓時數約為5.96小時。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.2 Society (Continued)

3.2.4 Labour Standards

The Group strictly prohibits the employment of child labour and only employs individuals aged 18 or above. The Group also ensures no forced labour occurs.

Child and forced labour are strictly prohibited in the workplace. Stringent hiring procedures and processes are enforced to verify the legal proof of age before commencement of work. We also regularly review the employees' information to ensure no employment of child labour and forced labour. The Group has strictly complied with the Labour Contract Law of PRC, the Hong Kong employment laws and other relevant laws and regulations to avoid child or forced labour and other potential irregularities. We do not adopt any kind of forced labour including prison labour as supplier.

If the responsible personnel identify the existence of child labour or forced labour within the Group, the work of such child labour or forced labour will be terminated immediately.

During the reporting period, there was no reported case of child labour or forced labour.

3.2.5 Supply Chain Management

Supplier's Code of Conduct

The Group has developed various codes of conduct which are communicated to suppliers of the Group, to assure product quality. Prohibition on waste paper being mixed with hazardous wastes would minimize the impact on environment.

3. 環境、社會及管治表現 (續)

3.2 社會 (續)

3.2.4 勞工準則

集團嚴格禁止僱用童工，僅僱用年齡在18歲或以上人員。集團確保沒有發生強制勞工的情況。

集團於工作場所內嚴禁童工或強制勞工。集團執行嚴格招聘程序及流程，以於開工前核實法定年齡證明文件。我們亦定期審查僱員資料，以確保並無僱用童工及強制勞工。集團已嚴格遵守中國勞動合同法、香港僱傭法例及其他相關法例及法規，以避免童工或強制勞工及其他潛在違規行為。集團並不接納任何形式的強制勞工（包括犯人勞工）作為供應商。

倘負責人員於集團內確定存在童工或強制勞工，該童工或強制勞工的工作將會被即刻終止。

集團於報告期內並未出現任何童工或強制勞工的情況。

3.2.5 供應鏈管理

供應商行為守則

集團向供應商制訂不同的行為守則以確保產品質素。禁止其廢紙混有危險廢物將減少對環境的影響。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.2 Society (Continued)

3.2.5 Supply Chain Management (Continued)

In addition, the Group has established a set of code of practices in selecting suppliers. After evaluation of factors such as product quality, price, environmental protection and social responsibility performance, the suppliers with the highest performance-to-price ratio and the best overall performance would be selected. Besides, the Group has also established evaluation system for evaluation beyond commercial interest. The system evaluates qualification of new suppliers and performance of existing key suppliers on regular basis. Evaluations are carried out in the form of on-site audits and/or document reviews on qualification and compliance.

Green procurement has been our procurement approach. In the process of sourcing materials, we require that components used by the suppliers be in full compliance with environmental protection requirements, in accordance with national and industry standards. The Group also arranges meetings with the suppliers on a regular basis to ensure the provision of quality products and services to customers and to monitor the supplier's performance in business ethics, environmental protection, human rights and labour practices.

As of 31 December 2023, the geographical distribution of the Group's suppliers was as follows:

Figure IX

Geographical location	地理位置
PRC	中國
Others	其他
Total	總計

3. 環境、社會及管治表現 (續)

3.2 社會 (續)

3.2.5 供應鏈管理 (續)

此外，集團對挑選供應商制訂一套既定的準則。在對產品質量、價格、環境保護及社會責任表現等因素進行評估後，選擇性價比最高、綜合表現最好的供應商。除此之外，集團亦建立高於商業利益的評估體系。有關係統定期評估新供應商的資質及現有主要供應商的表現。評估以現場審核及／或文件審核資格及合規性的形式來進行。

綠色採購一直為我們的採購方針。於採購物料過程中，我們要求供應商採用的部件根據國家及業內標準全面符合環保規定。集團亦定期與供應商舉行會議，以確保向客戶提供優質產品及服務，並監察供應商在商業道德、環境保護、人權及勞工常規方面的表現。

於二零二三年十二月三十一日，集團供應商的地理分佈如下：

圖九

Number of Suppliers 供應商數目	
2023 二零二三年	2022 二零二二年
33	55
1	3
34	58

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.2 Society (Continued)

3.2.6 Product Responsibility

Quality Assurance Policy

The Group has stringent criteria in monitoring production process. The quality of semi-finished products and finished products are examined. Moreover, the Group ensures workers to operate carefully during the production process to avoid defective products being delivered to the market.

Product Safety Policy

For assuring product safety, the finished products must pass the final inspection and testing before releasing to the market.

Fair Marketing Policy

The Group's salespersons are required to disseminate information on the recognized competitive advantage only when promoting the products. Negative description of competitors is not allowed so as to avoid misleading customers.

After-sales Service Policy

Customer service officers and salespersons would make after-sales visits to customers on a regular basis. The Group would obtain comments for improvement according to results of customer's satisfaction survey and would follow up after-sales issues immediately. If there are severe product quality issues, the Group would recall the defective products from the market.

During the reporting year, the Group received 4 (2022: 0) complaints in relation to product quality.

We strictly monitor the entire lifecycle of our products, from sourcing materials to product recall, return and replacement, so as to ensure the execution of technical standards, operational safety, as well as product and service quality. Each quality report and product recall request, if any, from our customers will be investigated and examined seriously by our designated quality control team to determine appropriate follow-up actions.

3. 環境、社會及管治表現 (續)

3.2 社會 (續)

3.2.6 產品責任

質量保證政策

集團在監控生產過程中有嚴格的標準。半成品及成品必須接受品質檢驗。此外，集團確保工人在生產過程中謹慎作業，以免讓不良產品流出市場。

產品安全政策

為保證產品安全，成品在流出市場前必須通過最終的檢驗及測試。

公平宣傳訊息政策

集團銷售人員在推廣產品時，方可發放有關已確認的競爭優勢的資訊，不允許對競爭對手有負面陳述，避免客戶被誤導。

售後服務政策

客戶服務人員及銷售人員定期對客戶進行售後回訪。集團根據客戶滿意程度調查表獲得客戶的改善意見，並立即跟進售後問題。如產品出現嚴重品質問題，集團將收回市場上的問題產品。

於報告年度，集團有接獲4宗（二零二二年：0宗）有關產品質量的投訴。

集團嚴格監控從原材料採購到產品召回及退換貨的整個產品生命週期，以確保技術標準、操作安全，以及產品和服務質素落實到位。集團指定的質量控制團隊將認真調查及審查客戶的每一份質量報告及產品召回請求（如有）以確定適當的後續行動。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.2 Society (Continued)

3.2.6 Product Responsibility (Continued)

After-sales Service Policy (Continued)

During the reporting period, there was no product subject to recalls for safety and health reasons and no products and service-related complaints received.

Privacy Protection of Consumer's Information

Personal information of customers would properly be maintained by the Group. Relevant information has been stored at the internal specific department. Moreover, customer information can only be accessed by the authorized personnel. No one is allowed to make own copies of or store privately or get the customer information out of the offices without permission.

The Group has strictly abided by relevant regulations, and no violation of product responsibility or privacy was found during the reporting period.

Protection of Intellectual Property Rights

The Group endeavours to protect intellectual rights by different measures. We actively monitor any infringement in terms of counterfeit goods across the country with people's court and public bodies. In addition, we renew the registration of any expiring trademarks and patents based on the need of our business.

3. 環境、社會及管治表現 (續)

3.2 社會 (續)

3.2.6 產品責任 (續)

售後服務政策 (續)

於報告期內，概無產品因安全 and 健康理由需要召回，亦無收到與產品及服務有關的投訴。

消費者資料的隱私保護

集團將妥善維護客戶的個人資料。有關資料已存放於內部特定部門。此外，客戶資料只能由授權人員查閱。未經允許，任何人不得擅自複印或私下儲存客戶資料或將其帶離公司。

集團嚴格遵行相關的法例，報告期內並無違反產品責任或私隱。

保護知識產權

集團透過不同措施致力保障知識產權。集團與人民法院及公共機構共同積極監察全國範圍內任何侵犯知識產權的假貨。此外，集團根據業務需要更新任何到期商標及專利註冊。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.2 Society (Continued)

3.2.7 Anti-corruption

Corporate Governance

The Board of Directors has set up different committees, such as audit committee, nomination committee and remuneration committee, striving to maintain high standards of corporate governance to safeguard shareholders rights and interests, as well as the Group's value and accountability.

Whistle-blowing Policy

The Group has supervised the behavior of operating personnel in order to safeguard employees' legal rights and corporate interests. In addition, the Group welcomes employees to report any non-compliance and dishonest behavior. The privacy of relevant employees who report the issues would be protected.

Financial Auditing

The Group engages ZHONGHUI ANDA CPA Limited as the independent third-party auditor to audit the Group's financial accounts. This ensures that the Group's accounts are clear and accurate, and the interests of shareholders are protected.

Declaration on Conflict of Interest

The Group stipulates that all employees must declare the conflict of interests. Directors and senior management are prohibited to transact any securities of the Group during sensitive periods.

3. 環境、社會及管治表現 (續)

3.2 社會 (續)

3.2.7 反貪污

企業管治

董事會轄下設立不同委員會，如審核委員會、提名委員會及薪酬委員會，致力維持高標準的企業管治，以保障股東權利及權益、其企業價值及問責度。

告密政策

集團已監督操作人員的行為，以保障僱員的合法權益及公司利益。此外，集團歡迎僱員舉報任何不合規和不誠實的行為，而舉報的相關僱員的私隱將會被保障。

財務審核

集團聘請中匯安達會計師事務所有限公司為獨立第三方核數師，對集團的財務賬目進行審核。這確保集團賬目清晰、準確及保護了股東的利益。

利益衝突申報

集團規定全體僱員須申報利益衝突，董事及高級管理層禁止在敏感時期進行集團的證券交易。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (Continued)

3.2 Society (Continued)

3.2.7 Anti-corruption (Continued)

Prevention of Corruption, Extortion and Fraud

The Group has established comprehensive system for internal control and formulated a set of strict policies, which prevent malpractices and unethical business practices, and also avoid the occurrence of corruption and other fraudulent behaviours.

The Group has strictly complied with the regulations on anti-corruption. No violations of any provisions were found in the reporting period.

During the reporting period, the Group recorded zero concluded legal case regarding corrupt practices brought against the Group or its staff, and was in compliance with the relevant laws and regulations in relation to bribery, extortion, fraud and money laundering that have a significant impact on the Group.

The Group will provide training to our directors and employees on anti-corruption practices in the ensuing financial year.

3.2.8 Community Investment

As a responsible company, the Group deeply understands and actively fulfills its social responsibilities and is committed to promoting and participating in the sustainable development of the community.

The Group has actively participated in the community including donating funds and materials to charitable organizations to giving back to the society.

The Group encourages and supports our staff and workers to participate in voluntary social welfare works. In financial year 2023, the Group sponsored approximately HKD22,000 to the Tangli Elderly Club (塘瀝敬老會) for caring of elderly and donated to the Yan Chai Hospital.

3. 環境、社會及管治表現 (續)

3.2 社會 (續)

3.2.7 反貪污 (續)

防止貪污、勒索及欺詐

集團建立了全面的內部控制體系，制訂了一套嚴格的政策，防止舞弊和不道德的商業行為，並防止貪污和其他欺詐行為的發生。

集團嚴格遵行防貪防賄法例，報告期內並無違反任何規定。

於報告期間，集團並無錄得有關集團或其員工貪污行為的法律案件，並已遵守與賄賂、勒索、欺詐及洗錢有關且對集團有重大影響的相關法律及法規。

集團將於下一個財政年度為董事及僱員提供有關反貪污的培訓。

3.2.8 社區投資

作為一個負責任的企業，集團深明並積極履行社會責任，致力推動和參與社區的可持續發展。

集團曾積極參與社區團體的活動，包括定期捐款及捐物資到慈善團體，以回饋社會。

集團鼓勵並支持員工及工人參與社會福利義務工作。於二零二三年財政年度，集團向塘瀝敬老會贊助約22,000港元以用於照顧長者，並向仁濟醫院作出捐贈。

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 AND BUSINESS REVIEW

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 37 to the consolidated financial statements.

A business review of the Group with description of the principal risks and uncertainties and the likely future development are set out in chairman's statement, management discussion and analysis on pages 4 to 15, this directors' report on pages 65 to 77, and in notes 5, 6, 34 and 35 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2023 are set out in the consolidated statement of profit or loss and other comprehensive income on page 84.

The Directors did not recommend the payment of a final dividend for the year.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the years from 2019 to 2023 is set out on page 180.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 26 to the consolidated financial statements.

SHARE PREMIUM AND RESERVES

Details of the movement in the share premium and reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 86.

董事欣然提呈彼等就本集團截至二零二三年十二月三十一日止年度之報告及經審核綜合財務報表。

主要業務及業務回顧

本公司為一間投資控股公司，其主要附屬公司之主要業務刊載於綜合財務報表附註37。

本集團之業務回顧，及主要風險及不明朗因素以及可能進行之未來發展之概述，載於第4頁至15頁之主席報告及管理層討論及分析及第65頁至77頁之本董事會報告以及綜合財務報表附註5、6、34及35內。

業績及分配

本集團截至二零二三年十二月三十一日止年度之業績載於第84頁之綜合損益及其他全面收益表內。

董事並不建議就本年度派付末期股息。

財務概要

本集團由二零一九年至二零二三年之業績與資產及負債概要載於第180頁。

物業、廠房及設備

有關本集團物業、廠房及設備於年內之變動詳情，載於綜合財務報表附註16。

股本

本公司股本之詳情載於綜合財務報表附註26。

股份溢價及儲備

本集團股份溢價及儲備於年內之變動詳情載於第86頁之綜合權益變動表內。

DIRECTORS' REPORT

董事會報告

As at 31 December 2023, the Company's reserves available for distribution to shareholders amounted to HK\$414,330,000 (2022: HK\$521,179,000), being the aggregation of share premium and retained profits.

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

Executive Directors

Mr. Hui Sum Ping, *Chairman*
Mr. Hui Sum Tai, *Chief Executive Officer*

Independent Non-executive Directors

Mr. Tso Sze Wai
Mr. Wong Chu Leung
Mr. Chau Suk Ming

In accordance with Article 84(1) of the Company's Articles of Association, Mr. Hui Sum Tai and Mr. Wong Chu Leung shall retire from office by rotation at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

Mr. Tso Sze Wai has entered into a service agreement with the Company for a term commencing from 20 October 2023 to 31 March 2025, which may be terminated by not less than three months' notice in writing served by either party. Further, each of the Directors (except for Mr. Tso Sze Wai) has entered into a service agreement with the Company for a term commencing from 1 April 2023 to 31 March 2025, which may be terminated by not less than three months' notice in writing served by either party.

Save as disclosed above, no Director proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The Company has received, from the Independent Non-executive Directors, annual confirmations of their independence pursuant to the Listing Rules. The Company considers the Independent Non-executive Directors are independent.

於二零二三年十二月三十一日，本公司可供分派予股東的儲備為414,330,000港元（二零二二年：521,179,000港元），即股份溢價及保留利潤之合計。

董事

年內及截至本報告日止，本公司之董事如下：

執行董事

許森平先生，*主席*
許森泰先生，*行政總裁*

獨立非執行董事

曹思維先生
黃珠亮先生
周淑明先生

根據本公司之組織章程細則第84(1)條，許森泰先生及黃珠亮先生將於本公司應屆股東週年大會輪值告退，惟彼等符合資格並願膺選連任。

曹思維先生已與本公司訂立服務協議，年期自二零二三年十月二十日起至二零二五年三月三十一日，可由任何一方發出不少於三個月的書面通知予以終止。此外，各董事（曹思維先生除外）已與本公司訂立服務協議，年期自二零二三年四月一日起至二零二五年三月三十一日止，可由任何一方發出不少於三個月的書面通知予以終止。

除上文披露者外，擬於本公司應屆股東週年大會重選連任之董事概無與本公司或其任何附屬公司訂立本集團如不作出賠償（法定賠償除外）則不能在一年內終止之服務合約。

本公司已接獲獨立非執行董事根據上市規則就其獨立性作出之年度確認書。本公司認為，獨立非執行董事均為獨立人士。

DIRECTORS' REPORT

董事會報告

DIRECTORS (Continued)

The biographical details of the Directors and senior management of the Company are set out in Management Profile on pages 16 to 18.

SHARE OPTIONS

The Company approved and adopted a share option scheme (the "2013 Scheme") on 3 June 2013 for the primary purpose of providing incentive or rewards to selected participants for their contribution to the Group.

The 2013 Scheme has expired on 2 June 2023. Thereafter, no further options will be granted under the 2013 Scheme but the subsisting options granted thereunder prior to the expiry date will continue to be valid and exercisable in accordance with the terms of the 2013 Scheme.

Particulars of the 2013 Scheme of the Company are set out in note 28 to the consolidated financial statements.

The following table discloses movements in the Company's share options during the year:

董事 (續)

本公司董事及高級管理層履歷詳情載於第16至18頁之管理層履歷。

購股權

本公司已於二零一三年六月三日批准及採納購股權計劃(「二零一三年計劃」)，主要目的為對本集團作出貢獻之指定參與者作出鼓勵或獎賞。

二零一三年計劃已於二零二三年六月二日屆滿。此後，將不再根據二零一三年計劃授出購股權，但在屆滿日期之前根據該計劃授出的現有購股權將繼續有效並可根據二零一三年計劃的條款行使。

本公司之二零一三年計劃之詳情載於綜合財務報表附註28。

下表披露本公司購股權於年內之變動：

Category 類別	Option type 購股權種類 (Note) (附註)	Date of grant 授出日期	Exercise price per share 每股行使價 HK\$ 港元	Outstanding at beginning of the year 年初尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Forfeited during the year 年內沒收	Outstanding at end of the year 年終尚未行使
Directors								
董事								
Mr. Hui Sum Ping 許森平先生	G	15.10.2018	0.435	3,984,000	-	-	-	3,984,000
Mr. Hui Sum Tai 許森泰先生	G	15.10.2018	0.435	3,984,000	-	-	-	3,984,000
Mr. Wong Chu Leung 黃珠亮先生	G	15.10.2018	0.435	1,000,000	-	-	-	1,000,000
				8,968,000	-	-	-	8,968,000
Other employees 其他僱員	G	15.10.2018	0.435	3,784,000	-	-	(250,000)	3,534,000
Total for all categories 全部類別總計				12,752,000	-	-	(250,000)	12,502,000

DIRECTORS' REPORT

董事會報告

SHARE OPTIONS (Continued)

Note:

The vesting period of the share options granted is determined by Directors at each time when the options are granted. Holders of share options granted under the 2013 Scheme may only exercise their options during the exercisable periods as follows:

Granted under the 2013 Scheme

根據二零一三年計劃授出

Option type G

G類購股權

1.5.2019–30.4.2020
二零一九年五月一日至二零二零年四月三十日

1.5.2020–30.4.2021
二零二零年五月一日至二零二一年四月三十日

1.5.2021–30.4.2026
二零二一年五月一日至二零二六年四月三十日

As at 31 December 2023, the total number of new shares which might be issued upon exercise of the options that had been granted and remained outstanding under the 2013 Scheme was 12,502,000 new shares, representing approximately 1.53% of the shares of the Company in issue at that date.

At the annual general meeting of the Company held on 5 June 2023, the shareholders of the Company approved the adoption of a new share option scheme (the "2023 Scheme") under which the Directors may grant options to eligible participants to subscribe for the Company's shares subject to the terms and conditions as stipulated therein. Unless otherwise cancelled or amended, the 2023 Scheme will remain valid for a period of 10 years from the date of its adoption.

The details of the principal terms and conditions of the 2023 Scheme were summarised in the circular of the Company dated 19 May 2023.

No option was granted under the 2023 Scheme during the year ended 31 December 2023.

購股權 (續)

附註：

授出購股權之歸屬期由董事於每次授出購股權時釐定。二零一三年計劃下購股權持有人僅可於以下行使期行使彼等之購股權：

Maximum % of share options exercisable

可行使購股權之最高百分比

up to 50%
最高可達50%

up to 75% (to the extent not already exercised)
最高可達75% (以尚未行使者為限)

up to 100% (to the extent not already exercised)
最高可達100% (以尚未行使者為限)

於二零二三年十二月三十一日，根據二零一三年計劃已授出且尚未行使的購股權獲行使後可能發行新股份總數為12,502,000股，佔本公司於該日已發行股份約1.53%。

於二零二三年六月五日舉行的本公司股東週年大會上，本公司股東批准採納新購股權計劃（「二零二三年計劃」），根據該計劃，董事可在遵守其中規定的條款和條件下向合資格參與者授出購股權以認購本公司股份。除非另有取消或修訂，二零二三年計劃自通過之日起有效期為十年。

二零二三年計劃的主要條款及條件詳情概述於本公司日期為二零二三年五月十九日的通函中。

截至二零二三年十二月三十一日止年度期間，並無根據二零二三年計劃授出購股權。

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

董事於股份、相關股份及債券之權益

As at 31 December 2023, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

於二零二三年十二月三十一日，按照本公司根據證券及期貨條例（「證券及期貨條例」）第352條之規定置存之登記冊所記錄，或根據上市發行人董事進行證券交易的標準守則已知會本公司及聯交所者，董事於本公司及其相關法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有之權益及淡倉如下：

(a) Shares

(a) 股份

Name of Director 董事姓名	Company/ Name of associated corporation 本公司／相聯法團名稱	Capacity 身份	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Hui Sum Ping 許森平先生	Company 本公司	Beneficial owner 實益擁有人	131,896,681 shares Long position 131,896,681股股份 好倉	16.13%
Mr. Hui Sum Ping 許森平先生	Company 本公司	Founder of a discretionary trust/interest of controlled corporations 全權信託創立人／ 受控法團權益	107,755,400 shares Long position (Note 1) 107,755,400股股份 好倉（附註1）	13.17%
Mr. Hui Sum Ping 許森平先生	Company 本公司	Interest of spouse 配偶之權益	27,256,000 shares Long position 27,256,000股股份好倉	3.33%
Mr. Hui Sum Tai 許森泰先生	Company 本公司	Beneficial owner 實益擁有人	150,556,430 shares Long position 150,556,430股股份好倉	18.41%
Mr. Hui Sum Tai 許森泰先生	Company 本公司	Interest of spouse 配偶之權益	5,110,000 shares Long position 5,110,000股股份好倉	0.62%

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued) 董事於股份、相關股份及債券之權益 (續)

(a) Shares (Continued)

(a) 股份 (續)

Name of Director 董事姓名	Company/ Name of associated corporation 本公司／相聯法團名稱	Capacity 身份	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Chau Suk Ming 周淑明先生	Company 本公司	Beneficial owner 實益擁有人	180,000 shares Long position 180,000股股份好倉	0.02%
Mr. Chau Suk Ming 周淑明先生	Company 本公司	Interest of spouse 配偶之權益	1,553,007 shares Long position 1,553,007股股份好倉	0.18%
Mr. Hui Sum Ping 許森平先生	Gong Ming Hop Fung Paper Ware Factory Limited ("Hop Fung GM") 公明合豐紙品廠有限公司 (「合豐公明」)	Founder of a discretionary trust/interest of controlled corporations/short position of controlled corporations 全權信託創立人／ 受控法團權益／ 受控法團淡倉	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Note 2) 3,000,000股每股面值1港元 之無投票權遞延股好倉 及淡倉(附註2)	100%
Mr. Hui Sum Tai 許森泰先生	Hop Fung GM 合豐公明	Short position of a controlled corporation 受控法團淡倉	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Note 2) 3,000,000股每股面值1港元 之無投票權遞延股 好倉及淡倉(附註2)	100%

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

(a) Shares (Continued)

Notes:

1. The 107,755,400 shares are owned by Goldspeed Holdings Limited ("Goldspeed"). Goldspeed is wholly owned by Goldkeen Assets Management Limited ("Goldkeen") and Goldkeen is wholly owned by HSBC International Trustee Limited ("HSBC") in its capacity as the trustee of HSP 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Ping and the discretionary objects of which include Mr. Hui Sum Ping and the family members of Mr. Hui Sum Ping. Accordingly, Mr. Hui Sum Ping is deemed to be interested in the 107,755,400 shares under the SFO.
2. Hop Fung GM is a subsidiary of the Company and therefore an associated corporation of the Company under the SFO. The entire issued share capital of Hop Fung GM is HK\$3,000,100 divided into 100 ordinary shares of HK\$1 each and 3,000,000 non-voting deferred shares of HK\$1 each. The 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung GM are beneficially owned by Hop Fung Group (HK) Limited ("Hop Fung Group HK") which is owned as to 50% and 50% by Mr. Hui Sum Ping and Mr. Hui Sum Tai respectively.

Under the SFO, each of Mr. Hui Sum Ping and Mr. Hui Sum Tai is deemed to be interested in the 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung GM.

Pursuant to an option deed dated 19 August 2003, Hop Fung Group HK and its nominee granted to Hop Fung Group Company Limited, a wholly owned subsidiary of the Company, an option to purchase from them such 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung GM. Accordingly, each of Mr. Hui Sum Ping and Mr. Hui Sum Tai is deemed to have a short position in the underlying shares of the option granted under the option deed pursuant to the SFO.

(b) Share options

Details of the Directors' and their associates' interests in share options of the Company are set out in the section headed "Share Options" in this report.

Other than as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31 December 2023.

董事於股份、相關股份及債券之權益 (續)

(a) 股份 (續)

附註：

1. 該107,755,400股股份由Goldspeed Holdings Limited (「Goldspeed」) 擁有。Goldspeed由Goldkeen Assets Management Limited (「Goldkeen」) 全資擁有，而Goldkeen由HSBC International Trustee Limited (「HSBC」) 以HSP 2004 Family Trust受託人之身分全資擁有。該信託為一項全權信託，其創立人為許森平先生，全權信託對象包括許森平先生及許森平先生之家族成員。因此，根據證券及期貨條例，許森平先生被視為擁有該107,755,400股股份之權益。
2. 合豐公明乃本公司之附屬公司，因此根據證券及期貨條例，屬本公司之相聯法團。合豐公明之全部已發行股本為3,000,100港元，分為100股每股面值1港元之普通股及3,000,000股每股面值1港元之無投票權遞延股。該3,000,000股每股面值1港元之合豐公明無投票權遞延股由合豐集團(香港)有限公司(「合豐集團香港」)實益擁有，而合豐集團香港則由許森平先生及許森泰先生分別擁有50%及50%。

根據證券及期貨條例，許森平先生及許森泰先生各自被視為擁有合豐公明3,000,000股面值1港元無投票權遞延股之權益。

根據日期為二零零三年八月十九日之購股權契據，合豐集團香港及其代名人向本公司之全資附屬公司Hop Fung Group Company Limited授出購股權，以向彼等購買3,000,000股每股面值1港元之合豐公明無投票權遞延股。因此，根據證券及期貨條例，許森平先生及許森泰先生各自被視為擁有根據購股權契據所授出購股權涉及之相關股份之淡倉。

(b) 購股權

董事及彼等之聯繫人士於本公司購股權之權益詳情載於本報告「購股權」一節。

除上文披露者外，於二零二三年十二月三十一日，董事及彼等之聯繫人士概無於本公司或其任何相聯法團之任何股份、相關股份或債券中擁有任何權益或淡倉。

DIRECTORS' REPORT

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2023, the following shareholders had interests or short positions in shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company:

主要股東於股份、相關股份及債券之權益

於二零二三年十二月三十一日，根據本公司按照證券及期貨條例第336條存置之登記冊所記錄或另行知會本公司，下列股東於本公司股份或相關股份中擁有權益或淡倉：

Name of shareholder 股東名稱／姓名	Capacity 身份	Number of issued shares held 持有已發行股份數目	Number of share options held 所持購股權數目	Note(s) 附註	Approximate percentage of issued share capital 佔已發行股本概約百分比
Mr. Hui Sum Ping 許森平先生	Beneficial owner/founder of a discretionary trust/interest of controlled corporations/ interest of spouse 實益擁有人／全權信託創立人／ 受控法團權益／配偶之權益	266,908,081	3,984,000	1,2	33.13%
Goldspeed	Beneficial owner 實益擁有人	107,755,400	–	2	13.17%
Goldkeen	Interest of a controlled corporation 受控法團權益	107,755,400	–	2	13.17%
HSBC	Trustee of discretionary trust 全權信託受託人	107,755,400	–	2	13.17%
Mr. Hui Sum Tai 許森泰先生	Beneficial owner/interest of spouse 實益擁有人／配偶之權益	155,666,430	3,984,000	3	19.52%
Mr. Hui Sum Kwok 許森國先生	Beneficial owner/interest of spouse 實益擁有人／配偶之權益	171,227,882	–	4	20.94%

Notes:

附註：

1. Of 266,908,081 total shares and 3,984,000 total options, Ms. Jian Jian Yi is directly interested in 27,256,000 shares and is deemed to be interested in 239,652,081 shares and 3,984,000 options of the Company under the SFO as she is the spouse of Mr. Hui Sum Ping, a Director and a substantial shareholder of the Company.

1. 於266,908,081股股份總數及3,984,000份購股權總數中，簡健儀女士直接持有本公司27,256,000股股份權益，以及由於彼為本公司之董事及主要股東許森平先生之配偶，根據證券及期貨條例，簡健儀女士被視為擁有本公司239,652,081股股份及3,984,000份購股權之權益。

DIRECTORS' REPORT

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

Notes: (Continued)

2. The entire issued share capital of Goldspeed is indirectly held by HSBC through its 100% controlled corporation, Goldkeen in its capacity as the trustee of HSP 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Ping and the discretionary objects of which include Mr. Hui Sum Ping and the family members of Mr. Hui Sum Ping. Accordingly, each of Goldspeed, Goldkeen, HSBC and Mr. Hui Sum Ping is deemed to be interested in the 107,755,400 shares under the SFO.
3. Of 155,666,430 total shares and 3,984,000 total options, Ms. Leung Pui Man is directly interested in 5,110,000 shares and is deemed to be interested in 150,556,430 shares and 3,984,000 options of the Company under the SFO as she is the spouse of Mr. Hui Sum Tai, a Director and a substantial shareholder of the Company.
4. Of 171,227,882 shares, Ms. Wong Mui is directly interested in 750,000 shares and is deemed to be interested in 170,477,882 shares of the Company under the SFO as she is the spouse of Mr. Hui Sum Kwok, a substantial shareholder of the Company.

Other than as disclosed above, the Company had not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 December 2023.

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

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year ended 31 December 2023.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the heading "Share Options" above, at no time during the year was the Company, any of its holding companies, fellow subsidiaries or subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. In addition, save as disclosed above, none of the Directors, and any of their respective associates were granted any right to subscribe for the securities of the Company or had exercised any such right during the year.

主要股東於股份、相關股份及債券之權益 (續)

附註：(續)

2. Goldspeed之全部已發行股本由HSBC透過其100%受控法團Goldkeen以HSP 2004 Family Trust之受託人身份間接持有。HSP 2004 Family Trust乃一項全權信託，其創立人為許森平先生；而全權信託對象包括許森平先生及許森平先生之家族成員。因此，根據證券及期貨條例，Goldspeed、Goldkeen、HSBC及許森平先生各自被視為擁有該107,755,400股股份之權益。
3. 於155,666,430股股份總數及3,984,000份購股權總數中，梁佩雯女士直接持有本公司5,110,000股股份權益，以及由於彼為本公司之董事及主要股東許森泰先生之配偶，根據證券及期貨條例，梁佩雯女士被視為擁有本公司150,556,430股股份及3,984,000份購股權之權益。
4. 於171,227,882股股份中，黃梅女士直接持有本公司750,000股股份權益，以及由於彼為本公司之主要股東許森國先生之配偶，根據證券及期貨條例，黃梅女士被視為擁有本公司170,477,882股股份之權益。

除上文披露者外，於二零二三年十二月三十一日，本公司並無獲悉任何其他人士於本公司已發行股本中擁有相關權益或淡倉。

購買、出售或贖回本公司上市股份

截至二零二三年十二月三十一日止年度，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

購買股份或債券之安排

除上文「購股權」一節披露者外，本公司、其任何控股公司、同系附屬公司或附屬公司並無於年內任何時間參與訂立任何安排，致使董事可透過收購本公司或任何其他法人團體之股份或債券而獲益。此外，除上文披露者外，董事及彼等各自之聯繫人士亦無獲授或於年內行使任何可認購本公司證券之權利。

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Other than the transactions set out in note 32 to the consolidated financial statements, no other transactions, arrangements and contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company is or was materially interested, either directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors or any of their respective associates were interested in any business apart from the Group's business, that competes or competed or are or were likely to compete, either directly or indirectly, with the Group's business at any time during the year ended 31 December 2023 and up to the date of this report.

MANAGEMENT CONTRACTS

No contract, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed during 2023.

PERMITTED INDEMNITY PROVISION

Pursuant to Article 164(1) of the Company's Articles of Association, every Director shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses incurred by him or her in the execution and discharge of his or her duties.

The Company maintained appropriate directors and officers liability insurance during 2023 and up to the date of this report.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

董事於交易、安排及重要合約之權益

除綜合財務報表附註32所載之交易外，本公司或其任何附屬公司概無訂立任何於本年度完結時或年內任何時間仍然生效而本公司董事於當中直接或間接擁有重大權益之交易、安排及重要合約。

董事於競爭業務的權益

截至二零二三年十二月三十一日止年度以及直至本報告日期內，董事及彼等各自之聯繫人士概無於本集團業務以外，且現時或過往直接或間接與本集團業務競爭或可能競爭的任何業務中擁有權益。

管理合同

於二零二三年，概無訂立或存在任何與本公司業務整體或任何重部分的管理及行政有關的合同（僱傭合同除外）。

獲准許彌償條文

根據本公司組織章程細則第164(1)條，各董事應就執行及履行其職責時可能招致之所有行動、成本、費用、損失、損害及開支獲得本公司資產及溢利作出彌償保證及免受損害。

於二零二三年及直至本報告日期，本公司維持適當之董事及高級職員責任保險。

遵守法律及法規

年內，本集團並未重大違反或不遵守適用法律及法規。

DIRECTORS' REPORT

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2023, the aggregate amount of revenue attributable to the Group's five largest customers accounted for around 9.5% of the Group's revenue. The aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 74.2% of the Group's total purchases, with the largest supplier accounted for approximately 30.4%.

None of the Directors, their close associates and shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued shares) have any interests in the Group's five largest customers and suppliers.

CONNECTED TRANSACTIONS

During the year, the Group did not enter into any related party transactions or continuing related party transactions which fall under the definition of "Connected Transaction" or "Continuing Connected Transaction" in Chapter 14A of the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands, which shall oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

DONATIONS

During the year, the Group made charitable donations amounting to approximately HK\$24,000.

主要客戶及供應商

於截至二零二三年十二月三十一日止年度，本集團五大客戶之收益合共佔本集團收益約9.5%。本集團五大供應商之購貨額合共佔本集團購貨總額約74.2%，而最大供應商佔約30.4%。

董事、彼等之緊密聯繫人士及就董事所知擁有本公司之已發行股份5%以上之股東概無在本集團五大客戶及供應商中擁有任何權益。

關連交易

年內，本集團並無訂立任何屬上市規則第14A章所界定「關連交易」或「持續關連交易」之關連人士交易或持續關連人士交易。

優先購買權

本公司之組織章程細則或開曼群島法例並無有關優先購買權之條文，規定本公司須按比例向現有股東提呈發售新股。

捐款

年內，本集團作出慈善捐款約24,000港元。

DIRECTORS' REPORT

董事會報告

CORPORATE GOVERNANCE

The Directors strive to maintain high standards of corporate governance to enhance shareholder value and safeguard shareholder interests. The corporate governance principles of the Company emphasise the importance of a quality Board, effective internal controls and accountability to shareholders. Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 19 to 39 of this annual report. The Company has met the code provisions set out in the Corporate Governance Code contained in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange throughout the year ended 31 December 2023, except with the following deviations:

Code Provision C.2.1

- Code provision C.2.1 stipulates that the division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing.
- There are no written terms on division of responsibilities between the Chairman and the Chief Executive Officer. The Directors consider that the responsibilities of the Chairman and the Chief Executive Officer respectively are clear and distinctive and hence written terms thereof are not necessary.

Code Provision D.3.3

- Code provision D.3.3 stipulates that the audit committee must meet, at least twice a year, with the Company's auditor.
- Since the Company has not engaged its auditor to review the financial information in its interim report, the Audit Committee has met with the Company's auditor once a year to discuss matters arising from the audit of the Company's annual results and other matters the auditor may wish to raise. The Audit Committee has met with the Company's auditor once during the year ended 31 December 2023.

Code Provision E.1.2

- A deviation from the code provision E.1.2 is that the Remuneration Committee of the Company reviews and makes recommendations to the Directors on the remuneration packages of the Directors only but not the senior management.
- Currently, the remuneration of the senior management is attended by the Chairman and/or the Chief Executive Officer of the Company.

企業管治

董事致力維持高水平企業管治，以提升股東價值及保障股東權益。本公司之企業管治原則強調高質董事會、有效內部監控及向股東負責之重要性。有關本公司所採納之企業管治常規之詳情載於本年報第19至39頁之企業管治報告。截至二零二三年十二月三十一日止年度期間，本公司已符合聯交所證券上市規則附錄C1中企業管治守則所載之守則條文，惟以下之偏離除外：

守則條文C.2.1條

- 守則條文C.2.1條規定主席與行政總裁之職責範圍應清楚地制定，並以書面列出。
- 本公司並無書面列出主席與行政總裁之職責範圍。董事認為，主席與行政總裁各自之職責均有明確界定，故毋須明文編製彼等之職權範圍。

守則條文D.3.3條

- 守則條文D.3.3條規定審核委員會須每年與本公核數師舉行最少兩次會議。
- 由於本公司並無委聘其核數師審閱中期報告之財務資料，審核委員會每年與本公司核數師舉行一次會議，以討論審計本公司全年業績所產生之事宜及核數師可能提出之其他事宜。截至二零二三年十二月三十一日止年度期間，審核委員會已與本公司核數師舉行一次會議。

守則條文E.1.2條

- 偏離守則條文E.1.2條為本公司薪酬委員會僅就董事而非就高級管理層之薪酬方案進行檢討及向董事作出建議。
- 目前，高級管理層之薪酬由本公司主席及／或行政總裁處理。

DIRECTORS' REPORT

董事會報告

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to achieving continuous improvement in environmental performance and complying with the relevant environmental protection regulations and rules. In 2021, 100% wastepaper (old containerboard cardboard) is used by the Group for producing containerboard in the upstream business. The factory of the upstream business has been suspended since October 2021.

Environmental protection measures are implemented by the Group to minimize the impact on the environment.

The environmental, social and governance (“ESG”) report of the Group disclosing detailed discussion on the Group’s environmental policies and performance are prepared in accordance with Appendix C2 Environmental, Social and Governance Reporting Guide issued by the Stock Exchange. The ESG report is disclosed in this Annual Report.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company’s total number of issued shares were held by the public as at the date of this report.

AUDITOR

Deloitte Touche Tohmatsu (“Deloitte”) resigned as the auditor of the Company and ZHONGHUI ANDA CPA Limited (“Zhonghui”) was appointed as the auditor of the Company on 28 November 2022 to fill the casual vacancy following the resignation of Deloitte. Save as disclosed above, there has been no change in auditor in the preceding three years.

The consolidated financial statements for the year ended 31 December 2022 and 31 December 2023 have been audited by Zhonghui.

A resolution will be submitted to the forthcoming annual general meeting to re-appoint Zhonghui as the auditor of the Company.

On behalf of the Board

Hui Sum Ping
Chairman
28 March 2024

環境政策及表現

本集團承諾致力持續改善環保表現，並遵守相關環保條例及規則。本集團之上游業務使用百份百廢紙（舊箱板紙）以製造箱板紙。於二零二一年，本集團之上游業務使用百份百廢紙（舊箱板紙）以製造箱板紙。自二零二一年十月起，上游業務之廠房已停運。

本集團已實施環保方法以盡量減少對環境的影響。

本集團根據聯交所頒佈之附錄C2《環境、社會及管治報告指引》編製環境、社會及管治（「環境、社會及管治」）報告，以披露有關本集團環保政策及表現的詳細討論。環境、社會及管治報告已於本年度報告中披露。

公眾持股量

根據本公司公開可得之資料及就董事所知，於本報告日，本公司至少25%之已發行股本總數乃由公眾人士持有。

核數師

德勤•關黃陳方會計師行（「德勤」）辭任本公司核數師，而中匯安達會計師事務所有限公司（「中匯」）於二零二二年十一月二十八日獲委任為本公司核數師，以填補德勤辭職後的臨時空缺。除上文披露者外，過去三年核數師並無變動。

截至二零二二年十二月三十一日及二零二三年十二月三十一日止年度的綜合財務報表已經中匯審計。

本公司將於應屆股東週年大會提呈續聘中匯為本公司核數師之決議案。

代表董事會

主席
許森平
二零二四年三月二十八日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



中匯
ZHONGHUI

TO THE SHAREHOLDERS OF HOP FUNG GROUP HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

QUALIFIED OPINION

We have audited the consolidated financial statements of Hop Fung Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 84 to 179, 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, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR QUALIFIED OPINION

Provision for tax payment amounts

Due to the uncertainties in relation to the contingent liabilities as disclosed in note 30 to the consolidated financial statements, we have been unable to obtain sufficient appropriate evidence for us to assess whether no provision of relevant tax amounts has been provided concerning the Decisions and the Tax Matter Notice (as defined in note 30) as at 31 December 2023 and 2022 are fairly stated and the profit or loss effect on the provision of relevant tax amounts for the year ended 31 December 2023 and 2022 are properly reflected. In addition, we have been unable to obtain sufficient appropriate audit evidence to justify whether the other tax expenses of approximately HK\$23,628,000 recognised in the profit or loss for the year ended 31 December 2022 in relation to the Decisions should be made in the last year or in the prior years.

致合豐集團控股有限公司全體股東

(於開曼群島註冊成立之有限公司)

保留意見

吾等已審核載於第84頁至第179頁的合豐集團控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)綜合財務報表，當中包括於二零二三年十二月三十一日的綜合財務狀況表及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括重大會計政策資料。

吾等認為，除吾等的報告保留意見基準一節所述事項可能產生之影響外，綜合財務報表已根據由香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實公允地反映貴集團於二零二三年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵守香港公司條例之披露規定妥為編製。

保留意見基準

稅項付款金額撥備

鑑於有關綜合財務報表附註30披露的或然負債的不確定性，吾等未能取得充分恰當的憑證供吾等評估於二零二三年及二零二二年十二月三十一日不就決定書及稅務事項通知書(定義見附註30)計提相關稅款撥備是否公允陳述，以及有否適當反映截至二零二三年及二零二二年十二月三十一日止年度的相關稅項撥備對損益的影響。此外，吾等未能取得充分恰當的審計證據以證明於至二零二二年十二月三十一日止年度之損益所確認與決定書有關的其他稅務開支約23,628,000港元是否應於去年或過往年度作出。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

BASIS FOR QUALIFIED OPINION (Continued)

Provision for tax payment amounts (Continued)

Any adjustments to the figures as described above might have a consequential effect on the Group's consolidated financial performance and its consolidated cash flows for the year ended 31 December 2023 and 2022 and the consolidated financial position of the Group as at 31 December 2023 and 2022, and the related disclosures thereof in the consolidated financial statements.

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2 to the consolidated financial statements, which mentions that the Group incurred consecutive losses attributable to owners of the Company of approximately HK\$100,804,000 and HK\$192,725,000 for the years ended 31 December 2023 and 2022, respectively, and as at 31 December 2023 the Group had net current liabilities of HK\$24,137,000. In addition, as disclosed in note 30 to the consolidated financial statements, the Group has significant amounts of contingent liabilities in relation to the tax payments demanded by the tax bureau in the PRC. These conditions indicate a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

保留意見基準(續)

稅項付款金額撥備(續)

對上述數字之任何調整均可能對 貴集團截至二零二三年及二零二二年十二月三十一日止年度之綜合財務表現及綜合現金流量及其於二零二三年及二零二二年十二月三十一日的綜合財務狀況以及綜合財務報表的相關披露造成相應影響。

吾等根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。吾等在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「守則」)，吾等獨立於 貴集團，並已履行守則中的其他專業道德責任。吾等相信，吾等所獲得的審計憑證能充足及適當地為吾等的保留意見提供基礎。

與持續經營相關的重大不確定性

吾等提請注意綜合財務報表附註2，其中提及 貴集團於截至二零二三年及二零二二年十二月三十一日止年度連續招致 貴公司擁有人應佔虧損分別約100,804,000港元及192,725,000港元以及於二零二三年十二月三十一日 貴集團錄得流動負債淨額24,137,000港元。此外，誠如綜合財務報表附註30所披露， 貴集團就中國稅務局要求的稅款產生大額或然負債。該等情況表明存在重大不確定性，可能對 貴集團持續經營的能力產生重大疑惑。吾等的意見並無就此事項作出修訂。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section and the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment assessment on property, plant and equipment relating to the containerboard segment

Refer to note 16 to the consolidated financial statements

We identified the impairment assessment of property, plant and equipment relating to the containerboard segment as a key audit matter due to its financial significance to the consolidated financial statements and the involvement of significant judgements and assumptions in estimating the recoverable amount of the cash-generating unit to which property, plant and equipment belong to.

As disclosed in notes 5 and 16 to the consolidated financial statements, due to the temporary suspension of production relating to the containerboard segment, the management considered that there are impairment indicators of the related property, plant and equipment existed as at 31 December 2023. Accordingly, the management assessed the impairment of the property, plant and equipment relating to the containerboard segment at 31 December 2023 by determining the recoverable amount based on their fair value less costs of disposal which involves certain key assumptions and estimates. These key assumptions and estimates involved the application of subjective management judgement and estimates.

The carrying amounts of property, plant and equipment relating to the containerboard segment for which the management has performed the impairment assessment as at 31 December 2023 are approximately HK\$689,146,000.

關鍵審核事項

根據吾等的專業判斷，關鍵審核事項為吾等於本期間對審核綜合財務報表中最重要的事項。吾等在審核綜合財務報表及就此達致意見時處理該等事項，而不會就該等事項單獨發表意見。除保留意見基準及與持續經營相關的重大不確定性章節所載事項外，吾等已確定以下事項為需要在報告中溝通的關鍵審核事項。

與箱板紙分部有關的物業、廠房及設備之減值評估

請參閱綜合財務報表附註16。

吾等就與箱板紙分部有關的物業、廠房及設備之減值評估確定為關鍵審核事項，乃由於其對綜合財務報表的財務重要性及在估計物業、廠房及設備所屬現金產生單位的可收回金額時涉及重大判斷及假設。

誠如綜合財務報表附註5及16所披露，由於箱板紙分部相關之生產暫時停產，管理層認為，相關物業、廠房及設備於二零二三年十二月三十一日存在減值跡象。因此，管理層透過釐定根據物業、廠房及設備之公平值減處置成本計算之可收回金額（其中涉及若干關鍵假設及估計），從而評估箱板紙分部的物業、廠房及設備於二零二三年十二月三十一日存在減值。該等關鍵假設及估計涉及應用主觀管理層判斷及估計。

於二零二三年十二月三十一日，管理層已進行減值評估之與箱板紙分部有關的物業、廠房及設備之賬面值約為689,146,000港元。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Impairment assessment on property, plant and equipment relating to the containerboard segment

(Continued)

Our procedures in relation to the impairment assessment on property, plant and equipment relating to the containerboard segment included:

- Obtaining an understanding of the valuation process, obtaining the valuation report from management, and evaluating the competence, capabilities and objectivity of the external valuer;
- meeting with the external valuer to discuss and challenge the valuation process, methodologies used and market evidence to support significant judgments and assumptions applied in the valuation model;
- Checking the mathematical accuracy of the valuation model;
- Checking key assumptions and input data in the valuation model to supporting evidence; and
- Assessing the disclosure of the fair value measurement in the consolidated financial statements.

We consider that the Group's impairment assessment on property, plant and equipment relating to the containerboard segment is supported by the available evidence.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises all the information in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

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

關鍵審核事項(續)

與箱板紙分部有關的物業、廠房及設備之減值評估(續)

吾等就箱板紙分部的物業、廠房及設備作出的減值評估程序包括：

- 瞭解估值過程、向管理層獲取估值報告及評估外聘估值師的資格、能力及客觀性；
- 與外聘估值師會面，以討論並質詢所用估值程序、方法及可支持估值模型中所用重大判斷及假設之市場憑證；
- 查核估值模型之算術準確性；
- 對照憑證查核估值模型之主要假設及輸入數據；及
- 評估綜合財務報表內有關公平值計量之披露。

吾等認為 貴集團就與箱板紙分部有關的物業、廠房及設備進行之減值評估獲得憑證支持。

年報中的其他資料

董事負責其他資料。其他資料包括 貴公司年報所載資料，惟不包括綜合財務報表及吾等就此發出之核數師報告。其他資料預期將於本核數師報告日期後向吾等提供。

吾等對綜合財務報表的意見並不涵蓋其他資料，吾等將不對該等其他資料發表任何形式的鑒證結論。

當吾等審核綜合財務報表時，吾等的責任為閱讀上文所指可向吾等提供該等其他資料，於此過程中，考慮其他資料是否與綜合財務報表或吾等於審核過程中所得知的情況有重大抵觸，或者有重大錯誤陳述。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

董事對綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定，編製真實且公平的綜合財務報表，及落實其認為編製綜合財務報表所必要的內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

核數師就審核綜合財務報表須承擔的責任

吾等的目標為對綜合財務報表是否不存在由欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括本行意見的核數師報告。吾等僅向 閣下（作為整體）匯報吾等之意見，除此之外別無其他目的。吾等不會就本報告內容向任何其他人士負上或承擔任何責任及債務。合理核證是高水平的核證，但不能保證按香港審計準則進行的審核在某一重大錯誤陳述存在時總能發現。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

(Continued)

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at:

<https://www.hkicpa.org.hk/en/Standards-setting/Standards/Our-views/auditre>

This description forms part of our auditor's report.

核數師就審核綜合財務報表須承擔的責任 (續)

吾等就審核綜合財務報表所承擔之責任的進一步描述載於香港會計師公會網站：

<https://www.hkicpa.org.hk/en/Standards-setting/Standards/Our-views/auditre>

該描述構成吾等之核數師報告一部分。

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Sze Lin Tang

Audit Engagement Director

Practising Certificate Number P03614

Hong Kong, 28 March 2024

中匯安達會計師事務所有限公司

執業會計師

施連燈

審計項目董事

執業證書編號P03614

香港，二零二四年三月二十八日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

FOR THE YEAR ENDED 31 DECEMBER 2023

截至二零二三年十二月三十一日止年度

		Notes 附註	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Revenue	收益	6	224,357	424,411
Cost of sales	銷售成本		(210,429)	(417,014)
Gross profit	毛利		13,928	7,397
Other income	其他收入	7	6,713	10,903
Other gains and losses	其他收益及虧損	8	4,541	(4,289)
Net (impairment loss recognised)/reversal of impairment loss recognised under expected credit loss model	預期信貸虧損模式下之(已確認減值虧損)已確認減值虧損撥回·淨額		(174)	151
Selling and distribution costs	銷售及分銷成本		(12,451)	(18,752)
Administrative expenses	行政開支		(47,042)	(90,471)
Other expenses	其他開支	9	(62,421)	(89,988)
Finance costs	財務成本	10	(3,555)	(6,188)
Loss before tax	稅前虧損		(100,461)	(191,237)
Income tax expenses	所得稅開支	11	(343)	(1,488)
Loss for the year, attributable to owners of the Company	本公司擁有人應佔年度虧損	12	(100,804)	(192,725)
Other comprehensive expense for the year: <i>Item that may be reclassified subsequently to profit or loss:</i>	年度其他全面開支： 其後可能重新分類至 損益之項目：			
– Exchange differences arising from translation of foreign operations	– 換算海外業務之 匯兌差額		(18,218)	(94,936)
Other comprehensive expenses for the year	年內其他全面開支		(18,218)	(94,936)
Total comprehensive expense for the year, attributable to owners of the Company	本公司擁有人應佔年度全面開支總額		(119,022)	(287,661)
LOSS PER SHARE	每股虧損	15		
Basic (HK\$ cents)	– 基本(港仙)		(12.33)	(23.57)
Diluted (HK\$ cents)	– 攤薄(港仙)		(12.33)	(23.57)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

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 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
NON-CURRENT ASSETS			
Property, plant and equipment	16	733,275	798,330
Right-of-use assets	17	19,223	19,521
Deposits and prepayments	20	143,319	162,979
		895,817	980,830
CURRENT ASSETS			
Inventories	18	22,068	31,292
Trade and other receivables	19	47,598	60,334
Deposits and prepayments	20	7,665	7,857
Bank balances and cash	21	47,272	110,796
		124,603	210,279
CURRENT LIABILITIES			
Trade and other payables	22	92,451	119,885
Due to a director	23	1,365	–
Taxation payable		1,354	2,111
Lease liabilities	24	611	304
Bank borrowings	25	52,959	2,230
		148,740	124,530
NET CURRENT (LIABILITIES)/ASSETS		(24,137)	85,749
TOTAL ASSETS LESS CURRENT LIABILITIES		871,680	1,066,579
NON-CURRENT LIABILITIES			
Lease liabilities	24	323	–
Bank borrowings	25	19,872	95,875
Deferred taxation	27	8,593	8,790
		28,788	104,665
NET ASSETS		842,892	961,914
CAPITAL AND RESERVES			
Share capital	26	81,764	81,764
Reserves		761,128	880,150
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		842,892	961,914

The consolidated financial statements on pages 84 to 179 were approved and authorised for issue by the Board of Directors on 28 March 2024 and are signed on its behalf by:

於第84至179頁之綜合財務報表已於二零二四年三月二十八日經董事會批准及授權發表，並由下列董事代表簽署：

HUI SUM PING 許森平
DIRECTOR 董事

HUI SUM TAI 許森泰
DIRECTOR 董事

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

		Attributable to owners of the Company 本公司擁有人應佔							
		Share capital	Share premium	Special reserve	PRC statutory reserve	Translation reserve	Share option reserve	Retained profits	Total
		股本	股份溢價	特別儲備	法定儲備	匯兌儲備	購股權儲備	保留利潤	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(Note (i)) (附註(i))	(Note (iii)) (附註(iii))				
At 1 January 2022	於二零二二年一月一日	81,764	492,392	(107,444)	850	104,100	3,663	674,250	1,249,575
Loss for the year	年度虧損	-	-	-	-	-	-	(192,725)	(192,725)
Other comprehensive expense for the year	年度其他全面開支	-	-	-	-	(94,936)	-	-	(94,936)
Total comprehensive expense for the year	年度全面開支總額	-	-	-	-	(94,936)	-	(192,725)	(287,661)
Transfer upon forfeiture of share options	沒收購股權後轉撥	-	-	-	-	-	(1,100)	1,100	-
At 31 December 2022	於二零二二年十二月三十一日	81,764	492,392	(107,444)	850	9,164	2,563	482,625	961,914
Loss for the year	年度虧損	-	-	-	-	-	-	(100,804)	(100,804)
Other comprehensive expense for the year	年度其他全面開支	-	-	-	-	(18,218)	-	-	(18,218)
Total comprehensive expense for the year	年度全面開支總額	-	-	-	-	(18,218)	-	(100,804)	(119,022)
Transfer upon forfeiture of share options	沒收購股權後轉撥	-	-	-	-	-	(50)	50	-
At 31 December 2023	於二零二三年十二月三十一日	81,764	492,392	(107,444)	850	(9,054)	2,513	381,871	842,892

Notes:

附註：

- (i) Special reserve represents the difference between the costs of investments in subsidiaries of Hop Fung Group Holdings Limited (the "Company") and the aggregate amount of the non-voting deferred share capital of the subsidiaries and the nominal value of the share capital of the subsidiaries acquired as a result of the group reorganisation in 2003.
- (ii) According to the relevant laws in the People's Republic of China ("PRC"), subsidiaries which were established in the PRC are required to transfer at least 10% of their net profit after taxation to a non-distributable reserve fund until the reserve balance reaches 50% of the respective subsidiaries' registered capital. The transfer to this reserve must be made before the distribution of dividends to owners. Such reserve fund can be used to offset the previous years' losses, if any, and is non-distributable other than upon liquidation.
- (i) 特別儲備指合豐集團控股有限公司(「本公司」)於附屬公司之投資成本與附屬公司無投票權遞延股本總額及因二零零三年集團重組而收購之附屬公司之股本面值之差額。
- (ii) 根據中華人民共和國(「中國」)的相關法律，在中國成立的附屬公司須將至少10%的除稅後純利轉入不可分派儲備基金，直至儲備結餘達到附屬公司註冊資本的50%為止。轉入該儲備金必須在向所有者分派股息前進行。該儲備基金可用於彌補以前年度的虧損(如有)，除清算時外，不得分配。

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 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
Loss before tax	稅前虧損	(100,461)	(191,237)
Adjustments for:	經作出以下調整：		
Finance costs	財務成本	3,555	6,188
Net impairment loss recognised/(reversal of impairment loss recognised) under expected credit loss model	預期信貸虧損模式下之已確認減值虧損／(已確認減值虧損撥回)·淨額	174	(151)
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	-	6,953
Impairment loss on the deposit paid for the acquisition of property, plant and machinery	收購物業、廠房及機器已付按金之減值虧損	15,684	-
Allowance for inventories	存貨撥備	263	3,678
Depreciation of property, plant and equipment	物業、廠房及設備折舊	54,317	61,164
Depreciation of right-of-use assets	使用權資產折舊	1,153	9,715
Interest income	利息收入	(639)	(2,143)
Loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及設備虧損／(收益)	514	(281)
Written off of accruals and other payables	撇銷應計費用及其他應付款項	(20,948)	-
Operating cash flows before working capital changes	營運資金變動前營運現金流量	(46,388)	(106,114)
Movements in working capital:	營運資金變動：		
Change in inventories	存貨變動	8,418	84,447
Change in trade and other receivables	貿易及其他應收款項變動	11,660	45,321
Change in deposits and prepayments	按金及預付款變動	867	(23)
Change in trade and other payables	貿易及其他應付款項變動	(5,583)	(23,176)
Cash (used in)/generated from operations	營運(使用)／產生之現金	(31,026)	455
Income tax paid	已繳付所得稅	(1,115)	(81)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	經營活動(使用)／產生之現金淨額	(32,141)	374
INVESTING ACTIVITIES	投資活動		
Deposits paid for acquisition of property, plant and equipment and other assets	收購物業、廠房及設備及其他資產已付按金	(552)	(1,990)
Purchases of property, plant and equipment	收購物業、廠房及設備	(8,178)	(2,026)
Interest received	已收利息	639	2,143
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	2,895	289
NET CASH USED IN INVESTING ACTIVITIES	投資活動使用之現金淨額	(5,196)	(1,584)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2023

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		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
FINANCING ACTIVITIES	融資活動		
Advances from a director	董事墊款	1,381	–
Repayment of bank loans	償還銀行貸款	(65,747)	(164,389)
Interest on bank borrowings paid	已付銀行借貸利息	(3,546)	(8,342)
Repayment of lease liabilities	償還租賃負債	(591)	(9,312)
Interest on lease liabilities paid	已付租賃負債利息	(45)	(266)
New bank loans raised	新增銀行貸款	42,221	50,070
NET CASH USED IN FINANCING ACTIVITIES	融資活動使用之現金淨額	(26,327)	(132,239)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值減少淨額	(63,664)	(133,449)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初之現金及現金等值	110,796	246,677
Effect of foreign exchange rate changes	匯率變動之影響	140	(2,432)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTED BY BANK BALANCES AND CASH	年末之現金及現金等值，即銀行結餘及現金	47,272	110,796

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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

The Company is an exempted company with limited liability incorporated in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office of the Company is disclosed under Corporate Information section of the annual report.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 37.

2. GOING CONCERN BASIS

The Group incurred consecutive losses attributable to owners of the Company of approximately HK\$100,804,000 and HK\$192,725,000 for the years ended 31 December 2023 and 2022, respectively, and as at 31 December 2023 the Group had net current liabilities of HK\$24,137,000. In addition, as disclosed in note 30 to the consolidated financial statements, the Group has significant amounts of contingent liabilities in relation to the tax payments demanded by the tax bureau in the PRC. In the event that the potential obligation becomes materialized, the Group may not have sufficient cash and bank balances, which amounted to approximately HK\$47,272,000 as at 31 December 2023, to fulfil the obligations. These conditions indicate a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

1. 一般資料

本公司根據開曼群島法例第22章公司法（一九六一年第3條法例，經綜合及修訂）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（「聯交所」）上市。本公司之註冊辦事處之地址載於本年報公司資料部份。

綜合財務報表均以港元（「港元」）呈列，港元為本公司之功能貨幣。

本公司為投資控股公司，其主要附屬公司之主要業務載於附註37。

2. 持續經營基準

本集團於截至二零二三年及二零二二年十二月三十一日止年度連續招致本公司擁有人應佔虧損分別約100,804,000港元及192,725,000港元，及於二零二三年十二月三十一日，本集團有流動負債淨額24,137,000港元。此外，誠如綜合財務報表附註30所披露，本集團就中國稅務局要求的稅款有大額或然負債。倘潛在責任實現，本集團於二零二三年十二月三十一日可能沒有足夠的現金及銀行結餘約47,272,000港元履行責任。該等情況表明存在重大不確定性，可能對本集團持續經營的能力產生重大疑惑。因此，本集團可能無法於正常業務過程中變現其資產及履行其債務。

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

2. GOING CONCERN BASIS (Continued)

For the purpose of assessing going concern, the directors of the Company (the “Directors”) have prepared a cash flow forecast of the Group covering a period of twelve months from the end of the reporting period (the “Cash Flow Forecast”) with plans and measures to mitigate the liquidity pressure and to improve its financial position. In addition, the Group obtained the letter of intent from one of the principal bankers after the reporting period, under which loan facilities up to a maximum amount of approximately RMB300,000,000 are available to the Group for not less than twelve months from 31 December 2023. Based on the letter of intent and Cash Flow Forecast assuming the plans and measures can be successfully implemented as scheduled, the Directors are of the opinion that the Group is able to continue as a going concern and would have sufficient financial resources to finance the Group’s operations and meet its financial obligations as and when they fall due. Accordingly, it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group’s assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

2. 持續經營基準(續)

為評估持續經營，本公司董事（「董事」）已編製本集團自報告期末起十二個月期間的現金流量預測（「現金流量預測」），其中包括紓緩流動資金壓力及改善財務狀況的計劃及措施。此外，本集團於報告期後取得其中一間主要往來銀行的意向書，根據該意向書，本集團可就自二零二三年十二月三十一日起不少於十二個月獲得貸款融資最高金額約人民幣300,000,000元。根據意向書及現金流量預測，假設計劃及措施能夠如期成功實施，董事認為，本集團能夠持續經營，並將有足夠的財務資源為本集團的運營提供資金並於到期時履行其財務責任。因此，以持續經營基準編制綜合財務報表屬適當。

倘本集團無法持續經營，則必須對綜合財務報表進行調整，以將本集團資產價值調整至其可收回金額，為可能產生的任何進一步負債計提撥備，並分別重新分類非流動資產及負債為流動資產及負債。該等調整的影響並未反映於綜合財務報表內。

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

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has adopted all the new and revised HKFRSs and new interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are relevant to its operations and effective for its accounting year beginning on 1 January 2023. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and by the Hong Kong Companies Ordinance (“Companies Ordinance”).

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)

於本年度，本集團已採納香港會計師公會（「香港會計師公會」）所頒佈與其營運相關並於自二零二三年一月一日開始的會計年度生效的所有新訂及經修訂香港財務報告準則及新詮釋。香港財務報告準則包括香港財務報告準則；香港會計準則及詮釋。採納該等新訂及經修訂香港財務報告準則並未導致本集團的會計政策、本集團綜合財務報表的呈列方式以及本年度及過往年度報告的金額產生重大變動。

本集團尚未應用已頒佈惟尚未生效的新訂香港財務報告準則。本集團已開始評估該等新訂香港財務報告準則的影響，惟尚無法說明該等新訂香港財務報告準則是否會對其經營業績及財務狀況產生重大影響。

4. 綜合財務報表編製基準及重大會計政策

綜合財務報表已根據由香港會計師公會頒佈之香港財務報告準則而編製。此外，綜合財務報表包括聯交所證券上市規則（「上市規則」）及香港公司條例（「公司條例」）規定之適用披露。

綜合財務報表於各報告期末按歷史成本基準編製。

歷史成本一般按交換貨品及服務代價之公平值釐定。

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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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based payment, leasing transactions that are within the scope of HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4. 綜合財務報表編製基準及重大會計政策 (續)

公平值是指市場參與者之間在計量日進行的有序交易中出售一項資產所收取的價格或轉移一項負債所支付的價格，無論該價格是直接觀察到的結果還是採用其他估值技術作出的估計。在對資產或負債的公平值作出估計時，本集團考慮了市場參與者在計量日為該資產或負債進行定價時將會考慮的資產或負債特徵。在本綜合財務報表中計量和／或披露的公平值均在此基礎上予以確定，但香港財務報告準則第2號「以股份支付之支出」範圍內的以股份支付之支出交易、香港財務報告準則第16號範圍內的租賃交易、以及與公平值類似但並非公平值的計量（例如，香港會計準則第2號「存貨」中的可變現淨值或香港會計準則第36號「資產減值」中的使用價值）除外。

此外，就財務報告而言，公平值計量根據公平值計量的輸入數據的可觀察程度及公平值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據是實體於計量日可以取得的相同資產或負債於活躍市場之報價（未經調整）；
- 第二級輸入數據是資產或負債的直接或間接地可觀察之輸入數據（第一級內包括的報價除外）；及
- 第三級輸入數據是資產或負債的不可觀察輸入數據。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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截至二零二三年十二月三十一日止年度

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

The material accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

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

4. 綜合財務報表編製基準及重大會計政策 (續)

已採納的重大會計政策載列如下。

綜合基準

綜合財務報表包括本公司及其附屬公司截至十二月三十一日的財務報表。附屬公司為本集團於其中擁有控制權之實體。當本集團承受或享有參與實體所得的可變回報，且有能力透過其對實體的權力影響該等回報時，本集團即控制該實體。當本集團現時擁有的權力賦予其目前掌控有關活動(即大幅影響實體回報之活動)的能力時，本集團即對該實體擁有權力。

評估控制權時，本集團會考慮其潛在表決權及其他人士持有的潛在表決權，以釐定其是否擁有控制權。僅倘持有人有實際能力行使潛在表決權的情況下，方會考慮該項權利。

附屬公司由控制權轉移至本集團當日起綜合入賬，並由控制權終止之日起不再綜合入賬。

出售附屬公司(導致失去控制權)的收益或虧損指(i)出售代價的公平值另加於該附屬公司所保留任何投資的公平值與(ii)本公司應佔該附屬公司淨資產另加與該附屬公司有關的任何餘下商譽及任何相關累計外幣換算儲備兩者間的差額。

集團內公司間之交易、結餘及未變現溢利均予對銷。除非有關交易提供證據顯示所轉讓資產出現減值，否則未變現虧損亦予以對銷。附屬公司的會計政策已作出必要更改，以確保與本集團所採納的政策一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

4. 綜合財務報表編製基準及重大會計政策 (續)

綜合基準 (續)

非控股權益指並非直接或間接歸屬於本公司的附屬公司權益。非控股權益於綜合財務狀況表及綜合權益變動表的權益項目內呈列。非控股權益於綜合損益及全面收益表內呈列為本公司非控股股東及擁有人的年內損益及全面收益總額分配。

即使此舉導致非控股權益出現虧絀結餘，溢利或虧損及其他全面收益之各個組成部分歸屬於本公司擁有人及非控股股東。

本公司於附屬公司的擁有人權益變動如並無導致失去控制權，則入賬列作權益交易（即與擁有人（以彼等作為擁有人的身份）進行的交易）。本集團會調整控股及非控股權益的賬面值，以反映兩者於附屬公司相對權益的變動。非控股權益的調整數額與已付或已收代價公平值間的任何差額直接於權益確認，並歸屬於本公司擁有人。

業務合併及商譽

本集團採用收購法為業務合併中所收購的附屬公司入賬。收購成本乃按所獲資產、所發行權益工具、所產生負債以及或有代價於收購當日之公平值計量。收購相關成本於有關成本產生及獲提供服務期間確認為開支。收購時，附屬公司的可識別資產及負債按其於收購當日之公平值計量。

收購成本超出本公司應佔附屬公司可識別資產及負債之淨公平值之差額乃列作商譽。本公司應佔可識別資產及負債之淨公平值超出收購成本之任何差額於綜合損益內確認為本公司應佔議價收購之收益。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Business combination and goodwill (Continued)

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, equity investments at fair value through other comprehensive income), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy (II) below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

4. 綜合財務報表編製基準及重大會計政策 (續)

業務合併及商譽(續)

對於分段進行之業務合併，先前已持有之附屬公司股權乃按其於收購當日之公平值重新計量，由此產生之收益或虧損於綜合損益內確認。公平值將加入至收購成本以計算商譽。

倘先前已持有之附屬公司股權之價值變動已於其他全面收益內確認(如按公平值計入其他全面收益之股權投資)，則於其他全面收益內確認之金額將按在先前已持有之股權被出售之情況下所需之相同基準確認。

商譽每年均接受減值測試，或當發生事件或情況有變顯示其可能出現減值時作更頻密測試。商譽乃按成本減累計減值虧損計量。商譽減值虧損之計量方法與下述會計政策(II)所載之其他資產之計量方法相同。商譽之減值虧損於綜合損益內確認，且其後不會撥回。就減值測試而言，商譽會被分配至預期將受惠於收購協同效益之現金產生單位。

於附屬公司之非控股權益初步按非控股股東於收購當日應佔附屬公司可識別資產及負債之淨公平值之比例計量。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; 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.

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

4. 綜合財務報表編製基準及重大會計政策 (續)

來自客戶合約的收入

收入乃根據與客戶訂立的合約所訂明的代價參考慣常業務慣例計量以及不包括代表第三方收取的金額。對於客戶付款與承諾產品或服務轉移期間超過一年的合約，乃就顯著融資成分的影響對代價進行調整。

本集團通過將產品或服務的控制權轉移給客戶而履行履約責任時確認收益。視乎合約條款和適用於該合約的法律，履約責任可以在一段時間內或在某個時間點履行。倘若符合以下情況，履約責任將在一段時間內履行：

- 客戶同時獲得及消費本集團履約所提供的利益；
- 本集團履約會創造或加強客戶隨著創造或加強資產而控制的資產；或
- 本集團履約不會創造可由本集團另作他用的資產，且本集團對迄今完成的履約付款擁有可強制執行的權利。

倘若履約責任在一段時間內履行，收益乃參照履約責任圓滿完成的進展確認。否則，收益於客戶取得產品或服務控制權的時點確認。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Other revenue

Interest income is recognised using the effective interest method.

Rental income is recognised on a straight-line basis over the lease term.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group also applies practical expedient not to separate non-lease components (i.e. building management fee) from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

4. 綜合財務報表編製基準及重大會計政策 (續)

其他收入

利息收入採用實際利率法確認。

租金收入於租期內按直線基準確認。

租賃

租賃的定義

倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約為租賃或包含租賃。

就於首次應用日期或之後訂立、修改或因業務合併而產生的合約而言，本集團根據香港財務報告準則第16號的定義於開始日期、修改日期或收購日期(如適用)評估該合約是否為租賃或包含租賃。除非合約的條款及條件其後出現變動，否則將不予重新評估該合約。

本集團作為承租人

將合約代價分配至各組成部分

對於包含一項租賃組成部分及一項或多項額外租賃或非租賃組成部分的合約，本集團根據租賃組成部分的相對單獨價格及非租賃組成部分的單獨價格總和將合約代價分配至各個租賃組成部分。

本集團亦採用可行權宜方法，不將非租賃組成部分(例如樓宇管理費用)從租賃組成部分區分開來，而是將租賃組成部分及任何相關非租賃組成部分作為一項單獨的租賃組成部分進行入賬。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Short-term leases and lease of low-value assets

The Group applies the short-term lease recognition exemption to leases of land and buildings that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payment on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement at lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. The remaining right-of-use assets are depreciated on a straight-line basis over the terms of the leases.

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

4. 綜合財務報表編製基準及重大會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

短期租賃及低價值資產租賃

對於租期自開始日期起計為12個月或以內且並無包含購買選擇權的租賃土地及樓宇，本集團應用短期租賃確認豁免。其亦應用豁免確認低價值資產租賃。短期租賃及低價值資產租賃的租賃款項按直線基準於租期內確認為開支。

使用權資產

使用權資產之成本包括：

- 租賃負債的初步計量金額；
- 於開始日期或之前作出的任何租賃款項，減任何已收租賃優惠；
- 本集團產生的任何初始直接成本；及
- 本集團於拆解及搬遷相關資產、復原相關資產所在場地或復原相關資產至租賃的條款及條件所規定的狀況時產生的成本估計。

使用權資產按成本減去任何累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。

本集團於租期結束時合理確定可獲取相關租賃資產所有權的使用權資產，本集團於租期結束時合理確定可獲取相關租賃資產所有權的使用權資產。其餘使用權資產按直線基準於租期內計提折舊。

本集團於綜合財務狀況表內將使用權資產呈列為單獨項目。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

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.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be paid the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease.

Variable lease payments that reflect changes in the market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, are recognised as expense in the period in which the event or condition that triggers in the payment occurs.

4. 綜合財務報表編製基準及重大會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

可退回租賃按金

已付可退回租賃按金乃根據香港財務報告準則第9號入賬且初步按公平值計量。對初步確認時的公平值作出的調整被視為額外租賃款項，並計入使用權資產成本。

租賃負債

於租賃開始日期，本集團按該日未付的租賃款項現值確認及計量租賃負債。倘租賃隱含的利率難以釐定，則本集團會使用租賃開始日期的增量借款利率計算租賃款項的現值。

租賃款項包括：

- 固定付款 (包括實質性的固定付款) 減任何應收租賃優惠；
- 視乎指數或比率而定的可變租賃款項，於開始日期使用指數或比率初步計量；
- 剩餘價值擔保下預期本集團將支付的金額；
- 倘本集團合理確定行使購買權，該選擇權的行使價；及
- 於租期反映本集團會行使選擇權終止租賃時，終止租賃的相關罰款。

反映市場租金變動的可變租賃款項初步使用於開始日期的市場租金計量。不會視乎指數或利率而定的可變租賃款項並無計入租賃負債及使用權資產計量，並在觸發付款之事件或情況出現的期間確認為開支。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

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

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

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

4. 綜合財務報表編製基準及重大會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

租賃負債 (續)

於開始日期後，租賃負債根據利息增長及租賃款項作出調整。

倘出現以下情況，本集團會重新計量租賃負債（並對相關使用權資產作出相應調整）：

- 租期有所變動或行使購買選擇權的評估發生變化，在此情況下，相關租賃負債透過使用重新評估日期之經修訂貼現率貼現經修訂租賃款項而重新計量。
- 租賃款項因進行市場租金調查後市場租金變動而出現變動，在此情況下，相關租賃負債透過使用初始貼現率貼現經修訂租賃款項而重新計量。

本集團於綜合財務狀況表內將租賃負債呈列為單獨項目。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or nonlease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

4. 綜合財務報表編製基準及重大會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

租賃修改

倘出現以下情況，本集團會將租賃修改作為一項單獨之租賃入賬：

- 該項修改通過增加使用一項或多項相關資產的權利擴大租賃範圍；及
- 租賃代價增加，增加的金額相當於範圍擴大對應的單獨價格，加上為反映特定合約的實際情況而對單獨價格進行的任何適當調整。

就未作為一項單獨租賃入賬的租賃修改而言，本集團基於透過使用修改生效日期的經修訂貼現率貼現經修訂租賃款項的經修改租賃的租期，重新計量租賃負債。

本集團通過對相關使用權資產作出相應調整重新計量租賃負債。倘包含一項租賃組成部分及一項或多項額外租賃或非租賃組成部分的經修訂合約，本集團根據租賃組成部分的相對單獨價格及非租賃組成部分的單獨價格總和將經修訂合約代價分配至各個租賃組成部分。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as lessor

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

4. 綜合財務報表編製基準及重大會計政策 (續)

租賃 (續)

本集團作為出租人

資產所有權的所有風險及回報未實質上轉移至承租人的租約列作經營租賃。經營租賃租金收入於租期內以直線法確認。

外幣換算

(i) 功能及呈列貨幣

本集團各實體的財務報表所列的項目，乃按該實體的主要經營所在經濟環境的貨幣（「功能貨幣」）計量。綜合財務報表乃以本公司的功能及呈列貨幣港元呈列。

(ii) 於各實體財務報表的交易及結餘

外幣交易於初始確認時使用交易日期的通行匯率換算為功能貨幣。以外幣為單位的貨幣資產及負債按各報告期末的匯率換算。此換算政策產生的盈虧於損益內確認。

按公平值計量及以外幣計值的非貨幣項目乃按釐定公平值當日的匯率換算。

當非貨幣項目的盈虧於其他全面收益確認時，該盈虧的任何匯兌部分於其他全面收益確認。當非貨幣項目的盈虧於損益確認時，該盈虧的任何匯兌部分於損益確認。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Foreign currency translation (Continued)

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

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

4. 綜合財務報表編製基準及重大會計政策 (續)

外幣換算 (續)

(iii) 綜合賬目的換算

所有功能貨幣有別於本公司呈列貨幣的本集團實體的業績及財務狀況均按以下方式換算為本公司的呈列貨幣：

- 於各財務狀況表呈列的資產及負債乃按有關財務狀況表日期的收市匯率換算；
- 收入及開支乃按平均匯率換算（除非該平均匯率並非交易日期當前匯率的累積影響的合理近似值，在該情況下，收入及開支按交易日期的匯率換算）；及
- 所有因此產生的匯兌差額均於外幣換算儲備確認。

於綜合賬目中，換算於海外實體的投資淨額及換算借貸產生的匯兌差額均於外幣換算儲備確認。於出售海外業務時，有關匯兌差額於綜合損益確認為出售的部分收益或虧損。

收購海外實體產生的商譽及公平值調整乃作為該海外實體的資產及負債處理，並按收市匯率換算。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

4. 綜合財務報表編製基準及重大會計政策 (續)

借貸成本

因收購、興建或生產合資格資產(即需要一段頗長時間準備始能投入作擬定用途或出售的資產)直接產生的借貸成本資本化為該等資產的部分成本,直至該等資產大致上作好準備投入作擬定用途或出售時為止。特定借貸用於合資格資產的支出之前用作短暫投資所賺取的投資收入於可資本化的借貸成本中扣除。

就於一般情況下借入及用作獲取合資格資產的資金而言,可資本化的借貸成本金額乃按適用於該資產支出的資本化比率釐定。資本化比率為適用於本集團該期間內尚未償還借貸(不包括就獲取合資格資產而借入的特定借貸)的加權平均借貸成本。

所有其他借貸成本於其產生期間在損益確認。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

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 at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

4. 綜合財務報表編製基準及重大會計政策 (續)

僱員福利

(i) 僱員休假權利

僱員享有的年假及長期服務假期均在僱員有權享有有關假期時確認。截至報告期末。本集團就僱員因提供服務而產生的年假及長期服務假期的估計負債計提撥備。

僱員享有的病假及產假直至休假時方予以確認。

(ii) 退休金責任

本集團向界定供款退休金計劃作出供款，全體僱員均可參與該計劃。計劃供款由本集團及僱員按僱員基本薪金的百分比計算。自損益扣除的退休福利計劃成本指本集團應向該基金支付的供款。

(iii) 離職福利

離職福利於本集團不再撤回該等福利邀約與本集團確認重組成本及涉及支付離職福利當日(以較早者為準)確認。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Share-based payments

The Group issues equity-settled and cash-settled share-based payments to certain employees. Equity-settled share-based payments are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. 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 shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

The Group issues equity-settled and cash-settled share-based payments to certain employees. Equity-settled share-based payments are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. 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 shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

When share options are exercised, the amount previously recognised in share options 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 options reserve will be transferred to retained profits.

4. 綜合財務報表編製基準及重大會計政策 (續)

以股份支付之支出

本集團向若干僱員發行以權益結算及以現金結算以股份為基礎支付之款項。發出以權益結算以股份支付之支出以授出當日之股本工具之公平值(不包括非市場歸屬條件之影響)計量。權益結算以股份支付之支出於授出日期所釐定之公平值乃按直線法於整個歸屬期支銷，並按本集團對於最終將歸屬之股份之估計及就非市場歸屬條件之影響調整。

本集團向若干僱員發行以權益結算及以現金結算以股份為基礎支付之款項。發出以權益結算以股份支付之支出以授出當日之股本工具之公平值(不包括非市場歸屬條件之影響)計量。權益結算以股份支付之支出於授出日期所釐定之公平值乃按直線法於整個歸屬期支銷，並按本集團對於最終將歸屬之股份之估計及就非市場歸屬條件之影響調整。

購股權獲行使時，之前於購股權儲備中確認之數額將轉移至股份溢價。當購股權於歸屬期後被收回或於屆滿日仍未獲行使，之前於購股權儲備中確認之數額將轉撥至保留利潤內。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND 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 before tax' 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 items that are never taxable or 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 amounts of assets and liabilities in these consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

4. 綜合財務報表編製基準及重大會計政策 (續)

稅項

所得稅開支為即期應付稅項及遞延稅項之總和。

即期應付稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表中的稅前利潤不同，乃由於有其他年度應課稅或可扣稅收入或開支，及不用課稅或不可扣稅之項目。本集團之即期稅項負債乃按報告期末已實行或實質已實行之稅率計算。

遞延稅項指就該等綜合財務報表資產及負債賬面值與計算應課稅溢利所用相應稅基間之暫時差額而確認。遞延稅項負債一般就所有應課稅暫時差額確認。遞延稅項資產則一般於很可能以可扣稅暫時差額對銷應課稅溢利時就所有可扣稅暫時差額確認。如暫時差額由初次確認(業務合併除外)一項不影響應課稅溢利或會計溢利之交易之資產及負債所產生，有關遞延稅項資產及負債則不予確認。

於附屬公司及聯營公司的投資及於合營企業的權益產生的應課稅暫時差額乃確認為遞延稅項負債，惟若本集團可控制暫時差額之撥回而暫時差額於可見將來應不會撥回之情況除外。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

4. 綜合財務報表編製基準及重大會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值於各報告期末檢討，並予以相應扣減，直至並無足夠應課稅溢利以收回全部或部分資產為止。

於附屬公司及聯營公司的投資及於合營企業的權益產生的應課稅暫時差額乃確認為遞延稅項負債，惟若本集團可控制暫時差額之撥回而暫時差額於可見將來應不會撥回之情況除外。

遞延稅項負債及資產之計量反映本集團預期於報告期末收回或清償其資產及負債賬面值之方式所產生之稅務結果。

倘有按法律可強制執行的權利，可將即期稅務資產與即期稅務負債抵銷，以及倘稅務資產及稅務負債涉及相同稅務機構徵收的所得稅，且本集團擬按淨額基準結算其即期稅項資產及負債時，遞延稅項資產及負債予以抵銷。

即期及遞延稅項於損益確認，除非這些稅項涉及於其他全面收入或直接於權益確認之項目，在該情況下，即期及遞延稅項亦分別於其他全面收入或直接於權益確認。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction progress), are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Construction in progress includes property, plant and equipment in the course of construction for supply of services is carried at cost, less any recognised impairment loss. Construction in progress is classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

4. 綜合財務報表編製基準及重大會計政策 (續)

物業、廠房及設備

物業、廠房及設備(包括作貨品生產或服務供應或行政用途而持有之樓宇(在建工程除外))按成本減其後之累計折舊以及其後累計減值虧損(如有)於綜合財務狀況表呈列。

在建工程包括作服務供應用途之在建物業、廠房及設備,按成本減任何已確認之減值虧損入賬。在建工程於其完成及可作擬定用途時分類為合適之物業、廠房及設備類別。此等資產之折舊乃按其他物業、廠房及設備之相同基準,於可作擬定用途開始時計算。

當本集團就於物業的擁有權權益(包括租賃土地及樓宇成分)付款時,全部代價於租賃土地及樓宇成分之間按初始確認時的相對公平值的比例分配。倘相關付款分配能可靠計量時,租賃土地的權益於綜合財務狀況表「使用權資產」呈列。當代價無法在相關租賃土地的非租賃樓宇成分及未分割權益之間可靠分配時,整項物業分類為物業、廠房及設備。

折舊的確認方式為以直線法在估計可使用年期內撇銷資產成本(在建物業除外)減其剩餘價值。估計可使用年期、剩餘價值及折舊方法乃於各報告期末檢討,任何估計變動之影響按預先計提之基準列賬。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時取消確認。出售或廢置物業、廠房及設備項目產生之任何收益或虧損乃按資產之出售所得款項及其賬面值之差額計算,並於損益確認。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Impairment losses on property, plant and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment 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).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually, when it is not possible to estimate the recoverable amount of individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4. 綜合財務報表編製基準及重大會計政策 (續)

物業、廠房及設備以及使用權資產之減值虧損

於報告期末，本集團會審閱其物業、廠房及設備以及使用權資產賬面值，以確定有否任何跡象顯示該等資產出現減值虧損。倘出現任何該等跡象，則會估計相關資產之可收回金額以釐定減值虧損（如有）之幅度。

物業、廠房及設備以及使用權資產的可收回金額將予個別評估，如不可能單獨估計可收回金額，本集團會估計該資產所屬之現金產生單位之可收回金額。於可識別合理一致的分配基準時，公司資產會分配至個別現金產生單位，否則有關資產會分配至可識別合理一致分配基準的現金產生單位最小組別。

可收回金額乃公平值扣除出售成本與使用價值之較高者。於評估使用價值時，估計未來現金流量乃使用除稅前折現率折現至其現值，該折現率反映現行市場對貨幣時間值之評估及該資產（或現金產生單位）（其估計未來現金流未經調整）特有之風險。

倘資產或現金產生單位之可收回金額估計低於其賬面值，則將該資產或現金產生單位賬面值減至其可收回金額。減值虧損即時於損益確認，惟倘相關資產以重估價值列賬，在此情況下減值虧損被視作重估價值減少處理。

倘其後撥回減值虧損，則將該資產或現金產生單位之賬面值增至經修訂之估計可收回金額，惟增加的賬面值不得超過假如該資產或現金產生單位於過往年度未有確認減值虧損而原應釐定之賬面值（扣除攤銷或折舊）。減值虧損之撥回即時於損益確認，惟倘相關資產以重估價值列賬，在此情況下減值虧損之撥回被視作重估價值增加處理。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out 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. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

4. 綜合財務報表編製基準及重大會計政策 (續)

存貨

存貨以成本及可變現淨值之較低者列賬。成本按先進先出基準釐定。製成品及在製品的成本包括：原材料、直接勞工及所有生產經常性開支的適當部分以及(如適用)分包費用。可變現淨值按日常業務的估計售價減預期完成成本及進行銷售所需成本釐定。

金融工具

本集團於成為工具合約條文的訂約方時在綜合財務狀況表中確認財務資產及財務負債。

於收取資產現金流量的合約權利屆滿、本集團轉讓資產擁有權的絕大部分風險及回報，或本集團既無轉讓亦不保留資產擁有權的絕大部分風險及回報，但不保留資產的控制權時，本集團會終止確認財務資產。終止確認財務資產時，資產賬面值與已收代價之總和的差額會於損益中確認。

財務負債在相關合約訂明的責任解除、撤銷或失效時終止確認。已終止確認的財務負債賬面值與已付代價的差額會於損益中確認。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

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.

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, 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.

4. 綜合財務報表編製基準及重大會計政策 (續)

金融工具 (續)

財務資產

財務資產的分類及期後計量

倘根據合約條款規定須於有關市場所規定期限內購入或出售資產，則財務資產按交易日基準確認入賬及終止確認，並按公平值加直接交易成本作初步確認，惟按公平值計入損益的投資則除外。收購按公平值計入損益的投資的直接應佔交易成本即時於損益確認。

當財務資產滿足以下條件，則其後按攤銷成本計量：

- 以收取合約現金流量為目的之經營模式下持有之財務資產；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

利息收入就其後按攤銷成本計量的財務資產乃使用實際利息法予以確認。就購入或原有信貸減值的財務資產以外的金融工具而言，利息收入乃對一項財務資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的財務資產除外(見下文)。就其後出現信貸減值的財務資產而言，自下一報告期起，利息收入乃對財務資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使財務資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對財務資產賬面總值應用實際利率予以確認。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets which are subject to impairment under HKFRS 9 including trade receivables, other receivables, deposits and bank balances. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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 date. Assessment are done based on the Group's historical credit loss experiences, 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 measures the loss allowance equal to 12m ECL for all the financial assets, unless when there has been a significant increase in credit risk since initial recognition, 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.

4. 綜合財務報表編製基準及重大會計政策 (續)

金融工具(續)

財務資產(續)

財務資產的減值

本集團就須根據香港財務報告準則第9號項下減值的財務資產確認預期信貸虧損(「預期信貸虧損」)的虧損撥備，包括貿易應收款項、其他應收款項及銀行結餘。預期信貸虧損的金額於各報告日期更新，以反映自首次確認起的信貸風險變動。

全期預期信貸虧損指相關工具於預計年期內所有可能的違約事件將產生的預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指於報告日期後12個月內可能發生的違約事件預計產生的該部分全期預期信貸虧損。評估乃根據本集團的歷史信貸虧損經驗進行，並根據債務人特有的因素、一般經濟狀況以及對報告日期當前狀況的評估以及對未來狀況的預測作出調整。

就所有財務資產而言，本集團計量的虧損撥備相等於12個月預期信貸虧損，除非當信貸風險自首次確認起出現重大增加，則本集團會確認全期預期信貸虧損。對應否確認全期預期信貸虧損的評估乃按自首次確認起發生違約的可能性或風險有否大幅增加而進行。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) 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 date 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.

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.

4. 綜合財務報表編製基準及重大會計政策 (續)

金融工具 (續)

財務資產 (續)

財務資產的減值 (續)

(i) 信貸風險顯著上升

評估信貸風險自首次確認以來是否顯著上升時，本集團會比較金融工具於報告日期發生違約的風險與金融工具於首次確認日期發生違約的風險。作出評估時，本集團會考慮合理及具支持性的定量及定性資料，包括過往經驗及毋需不合理成本及努力即可獲取的前瞻性資料。

具體而言，評估信貸風險自首次確認以來是否顯著上升時會考慮以下資料：

- 金融工具的外部(如有)或內部信用評級的實際或預期顯著惡化；
- 外部市場信貸風險指標的顯著惡化，如信貸利差大幅增加，債務人的信用違約掉期價格；
- 商業、金融或經濟情況目前或預期有不利變動，預計將導致債務人償還債項的能力顯著下降；
- 債務人經營業績實際或預期顯著惡化；
- 債務人的監管、經濟或技術環境有實際或預計的重大不利變動，導致債務人償還債項的能力顯著下降。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

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.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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. 綜合財務報表編製基準及重大會計政策 (續)

金融工具(續)

財務資產(續)

財務資產的減值(續)

(i) 信貸風險顯著上升(續)

不論上述評估的結果如何，本集團假定當合約付款逾期超過30日，信貸風險已自首次確認起大幅增加，除非本集團另有合理及具支持性資料顯示相反情況。

儘管如此，倘財務資產於報告日被認為具低信貸風險，則本集團可假設該債務工具之信貸風險自首次確認後未有顯著增加。倘(i)其違約風險較低；(ii)借款人在短期內絕對有能力履行其合約現金流量之義務，以及(iii)經濟和商業條件長遠之不利變化，不一定會降低借款人履行合約現金流量義務之能力，則債務工具具有較低之信貸風險。

本集團定期監察用以識別信貸風險曾否顯著增加的標準的成效，並酌情對其作出修訂，從而確保有關標準能夠於款項逾期前識別信貸風險顯著增加。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) 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 (without taking into account any collaterals held by the Group).

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.

(iii) 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.

4. 綜合財務報表編製基準及重大會計政策 (續)

金融工具 (續)

財務資產 (續)

財務資產的減值 (續)

(ii) 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之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（不考慮本集團持有的任何抵押品），則發生違約事件。

無論上述分析結果如何，倘財務資產逾期超過90日，本集團將視作已發生違約，除非本集團擁有合理及有理據支持之資料證明較寬鬆的違約標準更為適用，則當別論。

(iii) 信貸減值財務資產

財務資產在一項或多項對該財務資產估計未來現金流量構成不利影響的違約事件發生時出現信貸減值。財務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) 發行人或借款人出現重大財務困難；
- (b) 違約，如違約或逾期事件；
- (c) 借款人的貸款人出於與借款人財務困難相關的經濟或合約原因而向借款人授予貸款人不會另行考慮的優惠；
- (d) 借款人將有可能面臨破產或進行其他財務重組。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iv) 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. 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.

(v) 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 adjusted by 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. The ECL on respective financial assets are assessed individually.

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.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

4. 綜合財務報表編製基準及重大會計政策 (續)

金融工具(續)

財務資產(續)

財務資產的減值(續)

(iv) 撇銷政策

當有資料顯示對手方陷入嚴重財務困難且並無實際收回的可能時(例如對手方已清盤或進入破產程序時),本集團則撇銷財務資產。於在適當情況下考慮法律意見後,已撇銷的財務資產仍可根據本集團的收回程序進行強制執行活動。撇銷構成取消確認事項。任何其後收回於損益中確認。

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約損失率(即違約時的損失程度)及違約風險的函數。違約概率及違約損失率的評估是依據經前瞻性資料調整的歷史數據而作出。預期信貸虧損的估算反映以各自發生違約的風險作加權的公正及概率加權金額釐定。各財務資產的預期信貸虧損予以單獨評估。

一般而言,預期信貸虧損為根據合約應付本集團的所有合約現金流量與本集團預計收取的所有現金流量(按首次確認時釐定的實際利率折現)之間的差額。

考慮到逾期資料及相關信貸資料(如前瞻宏觀經濟資料),若干貿易應收款項之全期預期信貸虧損乃按集體基準予以考慮。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

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.

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 receivables where the corresponding adjustment is recognised through a loss allowance account.

4. 綜合財務報表編製基準及重大會計政策 (續)

金融工具 (續)

財務資產 (續)

財務資產的減值 (續)

(v) 預期信貸虧損的計量及確認 (續)

就集體評估而言，本集團將於制定組別時考慮以下特性：

- 逾期情況；
- 債務人之性質、規模及行業；及
- 可用之外部信貸評級。

歸類工作經管理層定期檢討，以確保各組別成份繼續具備類似信貸風險特性。

利息收入乃根據財務資產的總賬面值計算，除非財務資產已錄得信貸減值，其時利息收入乃根據財務資產的攤銷成本計量。

本集團就所有金融工具，透過調整其賬面值，以於損益確認減值收益或虧損，惟貿易應收款項除外，其相應調整透過虧損撥備賬確認。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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 instruments

Classification as financial liabilities or equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of a group 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 trade and other payables and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

4. 綜合財務報表編製基準及重大會計政策 (續)

金融工具 (續)

財務資產 (續)

取消確認財務資產

僅於現金流量的合約權利屆滿時，或向另一實體轉讓財務資產及該資產所有權之絕大部分風險及回報時，本集團方會取消確認財務資產。

於取消確認某項按攤銷成本計量的財務資產時，該項資產賬面值與已收及應收代價總額的差額在損益確認。

財務負債及權益工具

分類為財務負債或權益工具

財務負債及股本工具乃根據所訂立的合約安排的內容以及香港財務報告準則中財務負債及股本工具的定義予以分類。股本工具為帶有本集團資產剩餘權益（經扣除其所有負債）的任何合約。就特定財務負債及股本工具採納的會計政策於下文載列。

權益工具

權益工具乃證明集團實體於扣減所有負債後之資產中擁有剩餘權益之任何合同。本公司所發行之權益工具乃按已收取之所得款項減直接發行成本確認。

按攤銷成本計量之財務負債

財務負債（包括貿易及其他應付款項及銀行借貸）其後乃採用實際利率法按已攤銷成本計量。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets and equity instruments (Continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Related parties

A related party is a person or entity that is related to the Group.

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.

4. 綜合財務報表編製基準及重大會計政策 (續)

金融工具 (續)

財務負債及權益工具 (續)

取消確認財務負債

本集團僅於其責任被解除、註銷或屆滿時，才取消確認財務負債。已取消確認的財務負債的賬面值與已付或應付代價間差額於損益確認。

關聯方

關聯方乃與本集團有關聯的人士或實體。

- (a) 倘屬以下人士，即該人士或該人士家庭近親成員與本集團有關聯：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理層成員。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or 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.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

4. 綜合財務報表編製基準及重大會計政策 (續)

關聯方 (續)

(b) 倘符合下列任何條件，即實體與本集團有關聯：

- (i) 該實體與本集團屬同一集團的成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關聯）。
- (ii) 一間實體為另一實體的聯營公司或合營企業（或另一實體為成員公司的本集團旗下成員公司的聯營公司或合營企業）。
- (iii) 兩間實體均為同一第三方的合營企業。
- (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
- (v) 該實體為本集團或與本集團有關聯的實體就僱員利益設立的離職福利計劃。
- (vi) 該實體受(a)所識別人士控制或受共同控制。
- (vii) (a)(i)所識別人士對實體有重大影響力或屬該實體（或該實體的母公司）主要管理層成員。
- (viii) 該實體（或本集團（而該實體為當中成員）內任何成員公司）向本集團或本集團母公司提供主要管理人員服務。

一名人士的緊密家庭成員指在其與該實體的交易中預期可能影響該人士或受該人士影響的家庭成員。



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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Segment reporting

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

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

Provisions and contingent liabilities

Provisions are recognised when the group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

4. 綜合財務報表編製基準及重大會計政策 (續)

分部報告

財務報表中報告的經營分部和每個分部項目的金額是從定期提供給本集團最高級行政管理人員的財務信息中識別出來的，目的是分配資源和評估本集團各項業務及地區資料的績效。

除非財務分部具有相似的經濟特徵，並且在產品和服務的性質，生產過程的性質，客戶的類型或類別，分配產品的方法等方面相似，否則各個重要的經營分部不會匯總為財務報告目的，產品或提供的服務，以及監管環境的性質。非個別重大運營分部倘符合該等標準的大多數，則可進行合併。

撥備及或然負債

倘本集團須就已發生的事件承擔法律或推定責任，並可能需要付出經濟利益以清償有關責任，而且可作出可靠估計，便會確認撥備。倘貨幣時間值重大，有關撥備則按預計清償責任所需開支的現值列賬。

倘需要付出經濟利益的可能性不大，或無法可靠估計有關金額便會將該責任披露為或然負債，除非付出經濟利益的可能性極低。倘責任的存在須視乎一宗或多宗未來事件是否發生才能確定，則亦會披露為或然負債，除非付出經濟利益的可能性極低。

如果清償預計負債所需支出全部或部分預期由另一方補償，補償金額在基本確定能夠收到時，作為資產單獨確認，且確認的補償金額不超過撥備的賬面價值。

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4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements.

(a) Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the success of the plans and measures to be undertaken by the Group to mitigate the liquidity pressure and improve its financial position. Details are explained in note 2 to the consolidated financial statements.

4. 綜合財務報表編製基準及重大會計政策 (續)

報告期後事項

提供有關本集團於報告期末狀況的額外資料的報告期後事項或表明持續經營假設不適當的事項為調整事項，並反映於財務報表內。並非為調整事項的報告期後事項如屬重大，則會於財務報表附註內披露。

5. 關鍵會計判斷及估計不確定因素的主要來源

應用會計政策時的關鍵判斷

在應用本集團的會計政策過程中，管理層已作出以下對財務報表中確認的金額影響最為重大的判斷（所涉及的有關估計除外）。

(a) 持續經營基準

該等綜合財務報表乃按持續經營基準編製，其有效性取決於本集團為紓緩流動資金壓力及改善財務狀況而採取的計劃及措施是否成功。詳情於綜合財務報表附註2中說明。

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綜合財務報表附註

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

The following is the key source 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 from the end of each reporting period.

(a) *Estimated impairment assessment of property, plant and equipment relating to the containerboard segment*

Property, plant and equipment 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; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts.

As detailed in note 16 to the consolidated financial statements, there are impairment indicators of the property, plant and equipment relating to the containerboard segment at 31 December 2023. Accordingly, the management assessed the impairment of the property, plant and equipment relating to the containerboard segment and determined the recoverable amount of related property, plant and equipment based on their fair value less costs of disposal. The Group appointed an independent professional valuer to assess the fair values of the relevant property, plant and equipment. In determining the fair values, the valuer has utilised a method of valuation which involves certain key assumptions and estimates. The Directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions.

As at 31 December 2023, the carrying amounts of property, plant and equipment subject to impairment assessment were approximately HK\$689,146,000. Details of the impairment of property, plant and equipment are disclosed in note 16 to the consolidated financial statements.

5. 關鍵會計判斷及估計不確定因素的主要來源 (續)

估計不確定因素的主要來源

以下為於報告期末估計不確定因素的主要來源，其具重大風險，或會導致各報告期末起計至下一個財政年度內資產及負債的賬面值出現重大調整。

(a) *與箱板紙分部有關的物業、廠房及設備之估計減值評估*

物業、廠房及設備按成本減累計折舊及減值(如有)列賬。於釐定資產是否減值時，本集團須作出判斷及估計，尤其需要評估：(1)是否發生可能影響資產價值的事件或任何跡象；(2)資產的賬面值能否以使用價值的可收回金額支持；及(3)估計可收回金額時所採用的適當主要假設。

誠如綜合財務報表附註16所詳述，箱板紙分部相關物業、廠房及設備於二零二三年十二月三十一日出現減值跡象。因此，管理層評估箱板紙分部相關物業、廠房及設備之減值並根據其公平值減出售成本釐定相關物業、廠房及設備之可收回金額。本集團委任獨立專業估值師以評估相關物業、廠房及設備之公平值。於釐定公平值時，估值師運用涉及若干關鍵假設及估計之估值方法。董事已作出判斷並信納估值方法可反映當前市場情況。

於二零二三年十二月三十一日，須予進行減值評估的物業、廠房及設備的賬面值約為689,146,000港元。有關物業、廠房及設備之減值詳情於綜合財務報表附註16披露。

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綜合財務報表附註

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

(b) Useful lives of property, plant and equipment

In applying the accounting policy on property, plant and equipment with respect to depreciation, the Directors estimate the useful lives of various categories of property, plant and equipment according to their experiences over the usage of property, plant and equipment and also by reference to the relevant industrial norm. The useful lives of property, plant and equipment are reviewed annually. If the expectations differ from the previous estimates, the changes will be accounted for prospectively as changes in accounting estimates.

(c) Allowance for inventories

In determining the amount of allowance required for obsolete and slow-moving inventories, the Directors would evaluate ageing analysis of inventories and compare the carrying value of inventories to their respective net realisable values based on latest market prices and current economic conditions. A considerable amount of judgement is required in determining such allowance. If conditions which have an impact on the net realisable value of inventories deteriorate/improve, additional allowances/reversal of allowances already made may be required.

The carrying amount of inventories as at 31 December 2023 was approximately HK\$22,068,000 (net of allowance for inventories of approximately HK\$4,480,000) (2022: approximately HK\$31,292,000 (net of allowance for inventories of approximately HK\$4,310,000)).

5. 關鍵會計判斷及估計不確定因素的主要來源(續)

估計不確定因素的主要來源(續)

(b) 物業、廠房及設備之可用年期

在應用有關物業、廠房及設備折舊之會計政策時，董事根據彼等使用物業、廠房及設備之經驗，並參考相關行業於物業、廠房及設備所採用之折舊標準來評估各類物業、廠房及設備之可用年期。物業、廠房及設備之可用年期每年均會進行檢討。倘有關預期與先前之評估相異，則有關變動將作為會計評估變動，並預先進行會計處理。

(c) 存貨撥備

董事在釐定陳舊及滯銷之存貨撥備金額時，會評估存貨之賬齡分析，並根據最近期之市價及目前經濟情況，比較存貨之賬面值與其相關之可變現淨值。釐定該等撥備需要作出大量判斷。倘對存貨可變現淨值有影響之情況轉壞/好轉，則可能須作出額外撥備/撥回撥備。

存貨於二零二三年十二月三十一日的賬面值約為22,068,000港元(已扣除存貨撥備約4,480,000港元)(二零二二年：約31,292,000港元(已扣除存貨撥備約4,310,000港元))。

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

(d) Deferred tax asset

As at 31 December 2023, deferred tax assets of approximately HK\$6,522,000 (2022: approximately HK\$7,068,000) and approximately HK\$30,703,000 (2022: approximately HK\$51,107,000) in relation to unused tax losses and the deductible temporary difference arising from the impairment of property, plant and equipment have been recognised in the consolidated statement of financial position, respectively. No deferred tax asset has been recognised on the tax losses and deductible temporary difference of approximately HK\$124,074,000 (2022: approximately HK\$167,290,000) and approximately HK\$200,165,000 (2022: approximately HK\$170,802,000), respectively, due to the unpredictability of future profit streams of certain subsidiaries of the Group. The realisability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

5. 關鍵會計判斷及估計不確定因素的主要來源(續)

估計不確定因素的主要來源(續)

(d) 遞延稅項資產

於二零二三年十二月三十一日，已就未動用稅項虧損及物業、廠房及設備減值所產生之可抵扣暫時性差異於綜合財務狀況表確認遞延稅項資產分別約為6,522,000港元(二零二二年：約7,068,000港元)及約30,703,000港元(二零二二年：約51,107,000港元)。由於本集團若干附屬公司之未來溢利流不可預測，故並無就稅項虧損及可抵扣暫時性差異約124,074,000港元(二零二二年：約167,290,000港元)及約200,165,000港元(二零二二年：約170,802,000港元)確認遞延稅項資產。遞延稅項資產的可靠性主要取決於未來是否有足夠的未來溢利或應課稅暫時性差異，此為估計不確定性的主要來源。倘所產生的實際未來應課稅溢利少於或超過預期，或事實及情況的變動造成未來應課稅溢利之估計修訂，或會作出重大的遞延稅項資產回撥或進一步確認，此回撥將在回撥或進一步確認發生的期間內於損益內確認。

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6. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

An analysis of the Group's revenue by type of goods is as follows:

Sales of corrugated packaging

瓦楞包裝銷售

The Group applies the practical expedient that information regarding the transaction prices allocated to the remaining performance obligation for contracts with customers is not disclosed as the original expected duration of the contracts is less than one year.

Segment information

The Group's manufacturing operations are located in the PRC.

The Group's operations are organised based on the type of products. Information reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purpose of resource allocation and assessment of segment performance is analysed based on the type of products. No operating segments identified by CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments are categorised into the manufacture and sale of:

- Containerboard – corrugating medium and linerboard
- Corrugated packaging – corrugated paper boards and carton boxes

Information regarding the above segments is reported below.

6. 收益及分部資料

客戶合約收益的分拆

本集團按貨品種類的收益分析如下：

Year ended 31 December

截至十二月三十一日止年度

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
----------------------------------	----------------------------------

224,357

424,411

本集團應用實際權宜方法，關於分配至客戶餘下合約履約責任的交易價格的資料，由於合約的原定預期期限少於一年，乃不予披露。

分部資料

本集團之製造業務位於中國。

本集團之業務乃按產品類別劃分。就資源分配及評估分部表現向本公司執行董事（即主要營運決策者（「主要營運決策者」）呈報之資料乃按產品類別分析。本集團之可呈報分部，並無將主要營運決策者已識別的經營分部滙合呈報。

具體而言，本集團之可呈報及經營分部可分為製造及銷售：

- 箱板紙－瓦楞芯紙及牛咭
- 瓦楞包裝－瓦楞紙板及紙箱

有關上述分部之資料呈報於下文。

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6. REVENUE AND SEGMENT INFORMATION

(Continued)

Segment information (Continued)

Segment revenues and results

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

For the year ended 31 December 2023

6. 收益及分部資料(續)

分部資料(續)

分部收益及業績

本集團按營運及可呈報分部的收益及業績分析如下：

截至二零二三年十二月三十一日止年度

		Containerboard 箱板紙 HK\$'000 千港元	Corrugated Packaging 瓦楞包裝 HK\$'000 千港元	Segment total 分部總計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益					
External sales	對外銷售	-	224,357	224,357	-	224,357
RESULT	業績					
Segment (loss)/profit	分部(虧損)/溢利	(84,075)	10,258	(73,817)	-	(73,817)
Central administrative expenses	中央行政開支					(23,089)
Finance costs	財務成本					(3,555)
Loss before taxation	稅前虧損					(100,461)

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6. REVENUE AND SEGMENT INFORMATION

(Continued)

Segment information (Continued)

Segment revenues and results (Continued)

For the year ended 31 December 2022

		Containerboard 箱板紙 HK\$'000 千港元	Corrugated Packaging 瓦楞包裝 HK\$'000 千港元	Segment total 分部總計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益					
External sales	對外銷售	-	424,411	424,411	-	424,411
Inter-segment sales	分部間銷售	31,711	-	31,711	(31,711)	-
Total	總計	31,711	424,411	456,122	(31,711)	424,411
RESULT	業績					
Segment loss	分部虧損	(120,361)	(41,026)	(161,387)	-	(161,387)
Central administrative expenses	中央行政開支					(23,662)
Finance costs	財務成本					(6,188)
Loss before taxation	稅前虧損					(191,237)

The accounting policies adopted in preparing the reportable segment information are the same as the Group's accounting policies described in note 4 to the consolidated financial statements.

Segment loss represents the loss incurred by each segment without allocation of central administrative expenses and finance costs. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates

No revenue from any single customer contributed over 10% of the total revenue of the Group for both years.

6. 收益及分部資料 (續)

分部資料 (續)

分部收益及業績 (續)

截至二零二二年十二月三十一日止年度

編製可呈報分部資料時採用之會計政策與綜合財務報表附註4所載之本集團會計政策相同。

分部虧損代表各分部所產生之虧損，但未分配中央行政開支及財務成本。此乃為分配資源及評估表現而匯報給主要營運決策者之方法。

分部間銷售乃參照現行市價計算。

於兩個年度內，均無任何單一客戶之收益貢獻超過本集團收益總額10%。

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6. REVENUE AND SEGMENT INFORMATION

(Continued)

Segment information (Continued)

Other segment information

Amounts included in the measurement of segment profit or loss:

For the year ended 31 December 2023

		Containerboard 箱板紙 HK\$'000 千港元	Corrugated Packaging 瓦楞包裝 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Interest income	利息收入	(182)	(457)	(639)
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	49,200	5,117	54,317
Depreciation of right-of-use assets	使用權資產之折舊	922	231	1,153
Allowance for inventories	存貨撥備	–	263	263
Written off of accruals and other payables	撇銷應計費用及其他應付款項	(2,738)	(18,210)	(20,948)
Impairment loss on the deposit paid for the acquisition of property, plant and machinery	收購物業、廠房及機器已付按金之減值虧損	15,684	–	15,684

For the year ended 31 December 2022

		Containerboard 箱板紙 HK\$'000 千港元	Corrugated Packaging 瓦楞包裝 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Interest income	利息收入	(408)	(1,735)	(2,143)
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	53,433	7,731	61,164
Depreciation of right-of-use assets	使用權資產之折舊	970	8,745	9,715
Allowance for inventories	存貨撥備	–	3,678	3,678
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	–	6,953	6,953

6. 收益及分部資料(續)

分部資料(續)

其他分部資料

計算分部利潤或虧損時包括之金額：

截至二零二三年十二月三十一日止年度

截至二零二二年十二月三十一日止年度

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6. REVENUE AND SEGMENT INFORMATION

(Continued)

Segment information (Continued)

Geographical information

The following table sets out information about (i) the Group's revenue from external customers by location of delivery destination of the goods and (ii) the Group's non-current assets by location of assets:

	Revenue from external customers 外來客戶收益		Non-current assets 非流動資產	
	Year ended 31 December 截至十二月三十一日止年度		At 31 December 於十二月三十一日	
	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
PRC	224,357	424,411	738,922	789,838
Hong Kong	–	–	1,393	17,960
Macau	–	–	885	893
Philippines	–	–	154,617	172,139
	224,357	424,411	895,817	980,830

Segment assets and liabilities

The measure of the segment reporting of the Group reported to the CODM for the purpose of resources allocation and performance assessment does not include any assets and liabilities. Accordingly, no segment assets and liabilities are presented.

6. 收益及分部資料 (續)

分部資料 (續)

地區資料

下表載列有關(i)本集團按貨品交付目的地劃分之外來客戶收益及(ii)本集團按資產所在地區劃分之非流動資產之資料：

分部資產及負債

計算供主要營運決策者作資源分配及表現評估之用之本集團分部報告時並無計入任何資產及負債。因此，並無呈列分部資產及負債。

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7. OTHER INCOME

7. 其他收入

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Interest income	利息收入	639	2,143
Scrap sales	廢品銷售	799	501
Service income	服務收入	1,875	4,706
Others	其他	3,400	3,553
		6,713	10,903

8. OTHER GAINS AND LOSSES

8. 其他收益及虧損

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Net exchange loss	匯兌虧損淨額	(209)	(4,570)
(Loss)/gain on disposal of property, plant and equipment	出售物業、廠房及設備之(虧損)/收益	(514)	281
Written off of accruals and other payables (Note)	撇銷應計費用及其他應付款項(附註)	20,948	–
Impairment loss on the deposit paid for the acquisition of property, plant and machinery	收購物業、廠房及機器已付按金之減值虧損	(15,684)	–
		4,541	(4,289)

Note:

The amounts are mainly attributable to the accrued staff costs and other expenses provided by a subsidiary of the Company in prior years. This subsidiary has undertaken a voluntary deregistration process during the reporting period and has ascertained its indebtedness as at 31 December 2023, resulting in the written-off of the accrued staff costs and other expenses over-provided in prior years. This subsidiary was deregistered subsequent to the reporting period.

附註：

有關金額主要來自本公司一家附屬公司於過往年度提供之累計員工成本及其他開支。該附屬公司於報告期間進行自願取消註冊程序及確定於二零二三年十二月三十一日之債務，從而撇銷過往年度累計員工成本及其他開支之超額撥備。於報告期後此附屬公司已取消註冊。

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9. OTHER EXPENSES

9. 其他開支

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Other PRC taxes	其他中國稅項	1,792	4,093
Value-added tax payments (note 30(a))	增值稅付款(附註30(a))	-	23,628
Depreciation	折舊	53,562	57,264
Legal and professional fees	法律及專業費用	2,907	1,678
Others	其他	4,160	3,325
		62,421	89,988

10. FINANCE COSTS

10. 財務成本

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Interest on:	以下各項之利息：		
Bank borrowings	銀行借貸	3,510	5,922
Lease liabilities	租賃負債	45	266
		3,555	6,188

11. INCOME TAX EXPENSES

11. 所得稅開支

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Current tax:	即期稅項：		
Hong Kong Profits Tax	香港利得稅	363	53
Underprovision in prior years – Hong Kong Profits Tax	過往年度撥備不足－香港利得稅	-	154
		363	207
Deferred tax (note 27)	遞延稅項(附註27)	(20)	1,281
		343	1,488

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11. INCOME TAX EXPENSES (Continued)

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

No provision for Macau Complementary Tax has been made as the Group has no assessable profits arising in Macau for the year ended 31 December 2023 and 2022.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years. One of the Company's PRC subsidiaries was awarded with the High and New-Tech Enterprise and entitled to preferential rate of 15% for the Group's financial years ended 31 December 2023 and 31 December 2022.

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

11. 所得稅開支(續)

根據香港利得稅兩級制利得稅率制，合資格集團實體之首2,000,000港元溢利將按8.25%之稅率徵稅，而超過2,000,000港元之溢利則按16.5%之稅率徵稅。不符合兩級制利得稅率制資格之集團實體之溢利將繼續按16.5%之劃一稅率徵稅。因此，合資格集團實體之香港利得稅乃按估計應課稅溢利首2,000,000港元之8.25%計算，而估計應課稅溢利超過2,000,000港元則按16.5%計算。

截至二零二三年及二零二二年十二月三十一日止年度，本集團並無就澳門補充稅計提撥備，原因為本集團並無於澳門產生應課稅溢利。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司之稅率於兩個年度內為25%。本公司的一間中國附屬公司於本集團截至二零二三年十二月三十一日及二零二二年十二月三十一日止財政年度可享有高新技術企業15%的優惠稅率。

年度稅項開支與綜合損益及其他全面收益表所示稅前虧損之對賬如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Loss before taxation	稅前虧損	(100,461)	(191,237)
Tax at Hong Kong Profits Tax rate of 16.5% (2022:16.5%)	按香港利得稅率16.5% (二零二二年：16.5%)計算之稅項	(16,576)	(31,554)
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(522)	(423)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	5,896	9,508
Tax effect of deductible temporary difference not recognised	未確認可抵扣暫時性差異之稅務影響	2,697	1,738
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	19,442	40,305
Tax effect of undistributed earnings of the PRC subsidiaries	中國附屬公司未分派盈利之稅務影響	(5,860)	(3,736)
Effect of tax different tax rate of the PRC subsidiaries	中國附屬公司稅率不同之影響	(4,638)	(14,444)
Underprovision in prior years	過往年度撥備不足	-	154
Income tax at concessionary rate	以優惠率繳付的所得稅	(96)	(60)
Income tax expenses for the year	年度所得稅開支	343	1,488

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12. LOSS FOR THE YEAR

12. 年度虧損

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

年度虧損已扣除/(計入)下列各項：

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	54,317	61,164
Depreciation of right-of-use assets	使用權資產之折舊	1,153	9,715
Total depreciation	折舊總額	55,470	70,879
Less: Amount included in cost of inventories recognised as expenses	減：計入確認為開支之存貨成本金額	(1,908)	(3,900)
		53,562	66,979
Staff costs	員工成本		
Directors' emoluments (note 13)	董事酬金(附註13)	13,143	15,175
Other staff costs	其他員工成本		
– salaries and other allowances	– 薪金及其他津貼	42,695	55,116
– retirement benefit scheme contributions	– 退休福利計劃供款	5,096	10,419
Total staff costs	員工成本總額	60,934	80,710
Less: Amount included in cost of inventories recognised as expenses	減：計入確認為開支之存貨成本金額	(8,473)	(13,772)
		52,461	66,938
Impairment loss recognised on property, plant and equipment as expenses (included in cost of sales)	確認為開支之物業、廠房及設備之減值虧損(計入銷售成本)	–	6,953
Allowance for inventories (included in cost of sales)	存貨撥備(計入銷售成本)	263	3,678
Net impairment loss recognised/(reversal of impairment loss recognised) under expected credit loss model	預期信貸虧損模式下之已確認減值虧損/(已確認減值虧損撥回)，淨額	174	(151)
Auditor's remuneration	核數師酬金	1,500	1,900
Cost of inventories recognised as expenses	確認為開支之存貨成本	210,166	406,383

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13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' EMOLUMENTS

Directors

For the year ended 31 December 2023

13. 董事及主要行政人員酬金及僱員薪酬

董事

截至二零二三年十二月三十一日止年度

		Fees	Salaries and other benefits	Retirement benefit scheme contributions	Share-based payments	Total
		袍金	薪金及 其他福利	退休福利 計劃供款	以股份支付 之支出	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
<i>Executive directors</i>	<i>執行董事</i>					
Mr. Hui Sum Ping	許森平先生	-	6,915	18	-	6,933
Mr. Hui Sum Tai	許森泰先生	-	5,613	18	-	5,631
		-	12,528	36	-	12,564
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>					
Mr. Tso Sze Wai (note (ii))	曹思維先生(附註(ii))	187	-	9	-	196
Mr. Wong Chu Leung	黃珠亮先生	187	-	-	-	187
Mr. Chau Suk Ming	周淑明先生	187	-	9	-	196
		561	-	18	-	579
		561	12,528	54	-	13,143

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13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' EMOLUMENTS (Continued)

Directors (Continued)

For the year ended 31 December 2022

		Fees	Salaries and other benefits	Retirement benefit scheme contributions	Share-based payments	Total
		袍金	薪金及其他福利	退休福利計劃供款	以股份支付之支出	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
<i>Executive directors</i>	<i>執行董事</i>					
Mr. Hui Sum Ping	許森平先生	-	8,054	18	-	8,072
Mr. Hui Sum Tai	許森泰先生	-	6,513	18	-	6,531
		-	14,567	36	-	14,603
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>					
Mr. Chee Man Sang, Eric (note (ii))	池民生先生(附註(ii))	150	-	-	-	150
Mr. Tso Sze Wai (note (i))	曹思維先生(附註(i))	37	-	2	-	39
Mr. Wong Chu Leung	黃珠亮先生	187	-	-	-	187
Mr. Chau Suk Ming	周淑明先生	187	-	9	-	196
		561	-	11	-	572
		561	14,567	47	-	15,175

13. 董事及主要行政人員酬金及僱員薪酬(續)

董事(續)

截至二零二二年十二月三十一日止年度

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13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' EMOLUMENTS (Continued)

Directors (Continued)

Notes:

- (i) Mr. Tso Sze Wai was appointed as an independent non-executive director of the Company on 20 October 2022.
- (ii) Mr. Chee Man Sang, Eric resigned as an independent non-executive director of the Company on 20 October 2022.

Mr. Hui Sum Tai is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and Group and the independent non-executive directors' emoluments shown were for their services as directors of the Company. During the year, no emoluments were paid by the Group to these directors as an inducement to join or upon joining the Group or as compensation for loss of office and no director waived any emoluments.

Employees

Of the five individuals with the highest emoluments in the Group, two (2022: two) were Directors whose emoluments are set out above. The emoluments of the three (2022: three) individuals for the year ended 31 December 2023 amounted to approximately HK\$2,438,000 (2022: approximately HK\$1,951,000), representing salaries and other benefits of approximately HK\$2,384,000 (2022: approximately HK\$1,901,000) and retirement benefits scheme contributions of approximately HK\$54,000 (2022: approximately HK\$50,000), for their services rendered to the Group. For the year ended 31 December 2023, emoluments paid to the three (2022: three) individuals fell under the band of HK\$Nil to HK\$1,000,000 (2022: HK\$Nil to HK\$1,000,000).

13. 董事及主要行政人員酬金及僱員薪酬 (續)

董事 (續)

附註：

- (i) 曹思維先生已於二零二二年十月二十日獲委任為本公司獨立非執行董事。
- (ii) 池民生先生已於二零二二年十月二十日辭任本公司獨立非執行董事。

許森泰先生亦為本公司行政總裁，於上文所披露之酬金已包括其出任行政總裁提供服務所享有之酬金。

上文所示的執行董事酬金乃彼等就管理本公司及本集團事務的服務酬金，所示的獨立非執行董事酬金乃彼等作為本公司董事所提供服務的酬金。年內，本集團概無支付任何酬金予此等董事作為招攬其加入或作為其加入本集團之獎勵金或作為其離職補償金，亦無董事放棄任何酬金。

僱員

本集團五位最高薪酬人士中，其中兩位(二零二二年：兩位)為董事，彼等之薪酬已於上文載列。截至二零二三年十二月三十一日止年度，餘下三位(二零二二年：三位)人士之酬金約為2,438,000港元(二零二二年：約1,951,000港元)，包括就彼等向本集團提供服務所享有之薪金及其他福利約2,384,000港元(二零二二年：約1,901,000港元)及退休福利計劃供款約54,000港元(二零二二年：約50,000港元)。截至二零二三年十二月三十一日止年度，支付予三位(二零二二年：三位)人士之酬金介乎零港元至1,000,000港元組別(二零二二年：零港元至1,000,000港元)。

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14. DIVIDEND

No dividend was declared or proposed for the years ended 31 December 2023 and 31 December 2022, nor has any dividend been proposed since the end of the reporting period.

15. LOSS PER SHARE

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

14. 股息

截至二零二三年十二月三十一日及二零二二年十二月三十一日止年度並無宣派或擬派股息，自報告期末亦無擬派任何股息。

15. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃按以下數據計算：

		Year ended 31 December 截至十二月三十一日止年度	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Loss	虧損		
Loss for the purposes of basic and diluted loss per share	計算每股基本及攤薄虧損之虧損	(100,804)	(192,725)
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	計算每股基本及攤薄虧損之普通股加權平均數	817,644,000	817,644,000

The computation of diluted loss per share for the year ended 31 December 2023 and 31 December 2022 did not assume the exercise of the Company's share options as the exercise price of these options was higher than the average market price for shares for both 2023 and 2022.

截至二零二三年十二月三十一日及二零二二年十二月三十一日止年度的每股攤薄虧損的計算並無假設行使本公司的購股權，因於二零二三年及二零二二年，該等購股權之行使價高於股份之平均市價。

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16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Factory premises in the PRC 中國廠房 HK\$'000 千港元	Leasehold land and buildings 租賃土地及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Furniture, fixtures and office equipment 傢俬、裝置及辦公室設備 HK\$'000 千港元	Plant, machinery and equipment 廠房、機器及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本								
At 1 January 2022	於二零二二年一月一日	496,992	23,752	75,844	18,445	1,864,661	14,553	18,132	2,512,379
Exchange adjustments	匯兌調整	(42,283)	(872)	(5,304)	(1,024)	(155,540)	(519)	(1,618)	(207,160)
Additions	增添	-	-	259	158	2,217	-	17	2,651
Disposals	出售	-	-	(150)	(76)	(306)	(256)	-	(788)
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	454,709	22,880	70,649	17,503	1,711,032	13,778	16,531	2,307,082
Exchange adjustments	匯兌調整	(8,955)	(185)	(1,084)	(210)	(32,571)	(95)	(343)	(43,443)
Additions	增添	-	-	64	17	8,386	12	2	8,481
Disposals	出售	-	-	(3,527)	(731)	(40,627)	(1,115)	-	(46,000)
At 31 December 2023	於二零二三年十二月三十一日	445,754	22,695	66,102	16,579	1,646,220	12,580	16,190	2,226,120
ACCUMULATED DEPRECIATION AND IMPAIRMENT	累計折舊及減值								
At 1 January 2022	於二零二二年一月一日	275,924	6,667	65,173	15,591	1,190,621	14,197	-	1,568,173
Exchange adjustments	匯兌調整	(23,587)	(260)	(4,711)	(849)	(96,839)	(512)	-	(126,758)
Charge for the year	年度扣除	18,418	1,824	4,513	553	35,583	273	-	61,164
Impairment loss recognised in profit or loss	於損益確認之減值虧損	-	-	-	-	6,953	-	-	6,953
Elimination on disposals	出售時註銷	-	-	(150)	(69)	(305)	(256)	-	(780)
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	270,755	8,231	64,825	15,226	1,136,013	13,702	-	1,508,752
Exchange adjustments	匯兌調整	(5,388)	(46)	(1,015)	(182)	(20,907)	(95)	-	(27,633)
Charge for the year	年度扣除	17,459	1,646	3,287	422	31,432	71	-	54,317
Elimination on disposals	出售時註銷	-	-	(3,520)	(532)	(37,424)	(1,115)	-	(42,591)
At 31 December 2023	於二零二三年十二月三十一日	282,826	9,831	63,577	14,934	1,109,114	12,563	-	1,492,845
NET CARRYING VALUE	賬面淨值								
At 31 December 2023	於二零二三年十二月三十一日	162,928	12,864	2,525	1,645	537,106	17	16,190	733,275
At 31 December 2022	於二零二二年十二月三十一日	183,954	14,649	5,824	2,277	575,019	76	16,531	798,330

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16. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Factory premises in the PRC	4% or remaining lease term of the land element, if shorter
Leasehold land and buildings	4% or remaining lease term of the land element, if shorter
Leasehold improvements	20%
Furniture, fixtures and office equipment	10%
Plant, machinery and equipment	3.33% – 33.33%
Motor vehicles	20%

Impairment assessment on property, plant and equipment and right-of-use assets relating to containerboard segment

With reference to the Company's annual report for the year ended 31 December 2021, the annual inspection of the licences of three coal-fuel boilers of a factory of the Group that expired in mid-October 2021 has been delayed due to the consideration of the environmental policies of the local government of the Guangdong Province regarding the prohibited zone where the factory is located. The Company has temporarily suspended the production operation of the factory since October 2021. The Directors consider that the temporary suspension of production relating to the containerboard segment was not due to any violation of laws or regulations, but a voluntary action taken by the Group. Since the temporary suspension of production, the Group continues to coordinate with the local government for the annual inspection procedures of the licences for the coal fuel boilers to resume production and, in parallel to proceed with the project to change its boilers from coal-fuel boilers to gas-fuel boilers. During the year ended 31 December 2023, the Group continued to coordinate with the local government to proceed with the inspection procedures of the licenses pursuant to the relevant environmental policies. Up to the date of these consolidated financial statements, the inspection procedures of the licenses were yet to be completed.

16. 物業、廠房及設備(續)

上述物業、廠房及設備項目(在建工程除外)以直線法按以下年率折舊：

中國廠房	4%或土地部分之餘下租期(以較短者為準)
租賃土地及樓宇	4%或土地部分之餘下租期(以較短者為準)
租賃物業裝修	20%
傢俬、裝置及辦公室設備	10%
廠房、機器及設備	3.33%-33.33%
汽車	20%

與箱板紙分部有關的物業、廠房及設備及使用權資產之減值評估

經參考本公司截至二零二一年十二月三十一日止年度之年報，因考慮廠房所在禁燃區的廣東省當地政府環保政策，本集團廠房的三台燃煤鍋爐的牌照年審於二零二一年十月中到期後被延期。本公司自二零二一年十月起已暫時停止廠房之生產營運。董事認為，箱板紙分部暫時停產並無違反任何法例或規例，惟屬於本集團自願採取之行動。自暫時停產以來，本集團繼續就燃煤鍋爐牌照年審程序與當地政府協調以恢復生產，並同時推進由燃煤鍋爐改為燃氣鍋爐的項目。截至二零二三年十二月三十一日止年度，本集團繼續根據相關環保政策就牌照年審程序與當地政府協調。截至該等綜合財務報表日期，牌照年審程序尚未完成。

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16. PROPERTY, PLANT AND EQUIPMENT (Continued)

Impairment assessment on property, plant and equipment and right-of-use assets relating to containerboard segment (Continued)

Due to the temporary suspension of production relating to the containerboard segment and its unfavourable financial performance during the current year, the management of the Group concluded that there were indicators for impairment and conducted an impairment assessment on the containerboard segment-related property, plant and equipment and right-of-use assets with carrying amounts of approximately HK\$689,146,000 and HK\$17,073,000, respectively, as at 31 December 2023. The recoverable amount of these assets has been determined based on their fair value less costs of disposal measured by reference to market evidence of recent transactions for land in nearby area (level 2 fair value measurements) and depreciated replacement cost for factory premises, plant, machinery and equipment (level 3 fair value measurements) by Roma Appraisals Limited, an independent professional valuer. The carrying amount of the relevant property, plant and equipment and right-of-use assets relating to containerboard segment does not exceed the recoverable amount, and no impairment loss is recognised during the year (2022: Nil).

At 31 December 2023, the Group's property, plant and equipment with the carrying amount of approximately HK\$163,615,000 (2022: Nil) were pledged for the Group's bank borrowings (note 25).

16. 物業、廠房及設備(續)

與箱板紙分部有關的物業、廠房及設備及使用權資產之減值評估(續)

由於箱板紙分部相關之生產暫時停產及本年度財務表現不佳，本集團管理層認為存在減值跡象，並對於二零二三年十二月三十一日賬面值分別為689,146,000港元及17,073,000港元之與箱板紙分部有關的物業、廠房及設備以及使用權資產進行減值評估。當根據使用價值計算不大可能單獨估計相關資產的可收回金額時，本集團估計資產所屬現金產生單位的可收回金額。該等資產之可收回金額乃由獨立專業估值師羅馬國際評估有限公司根據其公平值減處置成本而釐定，並參考鄰近地區近期土地交易之市場憑證(第2級公平值計量)及廠房處所、廠房、機器及設備(第3級公平值計量)的折舊重置成本計量而釐定。箱板紙分部相關之有關物業、廠房及設備及使用權資產之賬面值不超過可收回金額，年內並未確認減值虧損(二零二二年：無)。

於二零二三年十二月三十一日，本集團賬面值為約163,615,000港元(二零二二年：無)之物業、廠房及設備已抵押以取得本集團之銀行借貸(附註25)。

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17. RIGHT-OF-USE ASSETS

17. 使用權資產

		Leasehold land	Leased properties	Total
		租賃土地	租賃物業	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
CARRYING VALUES	賬面值			
At 1 January 2022	於二零二二年一月一日	21,559	9,881	31,440
Exchange adjustments	匯兌調整	(1,780)	(424)	(2,204)
Depreciation provided for the year	年度折舊撥備	(569)	(9,146)	(9,715)
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	19,210	311	19,521
Addition	增添	-	1,221	1,221
Exchange adjustments	匯兌調整	(366)	-	(366)
Depreciation provided for the year	年度折舊撥備	(544)	(609)	(1,153)
At 31 December 2023	於二零二三年十二月三十一日	18,300	923	19,223

Year ended 31 December 截至十二月三十一日止年度

2023	2022
二零二三年	二零二二年
HK\$'000	HK\$'000
千港元	千港元

Total cash outflow for leases

租賃現金流出總額

636

9,578

For both years, the Group leases certain warehouse and ancillary office properties for its operations. Lease contracts are entered into with fixed monthly lease payments for a fixed term of 1 to 2 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

兩年內，本集團為其營運租賃若干倉庫及輔助辦公物業。租賃合約以固定每月租賃付款訂立，期限固定為一至兩年。租期乃在個別基礎上協商，並包含各種不同的條款及條件。

In addition, the Group owns several industrial buildings where its manufacturing facilities are primarily located and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

此外，本集團擁有若干主要為生產廠房所在地的工業樓宇和寫字樓。本集團為該等物業權益（包括相關租賃土地）的註冊擁有人。已提前作出一次性付款以收購該等物業權益。僅當所支付的款項能可靠分配時，該等自有物業的租賃土地部分方可單獨呈列。

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17. RIGHT-OF-USE ASSETS (Continued)

As at 31 December 2023, included in the Group's right-of-use assets of approximately HK\$1,227,000 (2022: approximately HK\$1,293,000) were prepayments under processing arrangement which represents the prepaid amount for land use rights.

At 31 December 2023, the Group's right-of-use assets with the carrying amount of approximately HK\$17,073,000 (2022: Nil) were pledged for the Group's bank borrowings (note 25).

18. INVENTORIES

Raw materials
Finished goods

原材料
製成品

At 31 December 於十二月三十一日	
2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
21,834	31,001
234	291
22,068	31,292

19. TRADE AND OTHER RECEIVABLES

Trade receivables
Less: allowance for credit losses

貿易應收款項
減：信貸虧損撥備

Other receivables (note)

其他應收款項(附註)

Total trade and other receivables

貿易及其他應收款項總額

At 31 December 於十二月三十一日	
2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
38,695	51,056
(867)	(836)
37,828	50,220
9,770	10,114
47,598	60,334

Notes: As at 31 December 2023, the balance included an advance to Batangas Paper Corporation ("Batangas"), an independent third party to the Group, amounting to approximately HK\$8,136,000 (2022: approximately HK\$8,309,000), which is unsecured, interest-free and repayable on demand.

17. 使用權資產(續)

於二零二三年十二月三十一日，本集團之使用權資產中包括約1,227,000港元(二零二二年：約1,293,000港元)之加工安排預付款，為土地使用權之預付金額。

於二零二三年十二月三十一日，本集團賬面值為約17,073,000港元(二零二二年：無)之使用權資產已抵押以取得本集團之銀行借貸(附註25)。

18. 存貨

19. 貿易及其他應收款項

附註：於二零二三年十二月三十一日，結餘包括墊付予本集團之獨立第三方Batangas Paper Corporation(「Batangas」)之款項約8,136,000港元(二零二二年：約8,309,000港元)，有關款項為無抵押、免息及須按要求時償還。

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19. TRADE AND OTHER RECEIVABLES (Continued)

The Group allows credit periods ranging from 5 to 120 days to its trade customers which may be extended to selected trade customers depending on their trade volume and history of settlement with the Group. The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the invoice dates, which approximates the respective revenue recognition dates, at the end of the reporting period:

Within 30 days	30日內
31 – 60 days	31至60日
61 – 90 days	61至90日
Over 90 days	90日以上

Before accepting any new customer, the Group uses an external litigation search to assess the potential customer's credit quality and defines credit limits on a customer-by-customer basis. Limits and scoring attributed to customers are reviewed monthly.

As at 31 December 2023, included in the Group's trade receivables balance are debtors with an aggregate gross amount of approximately HK\$13,856,000 (2022: approximately HK\$19,083,000) which were past due as at the reporting date. Out of the past due balances, approximately HK\$867,000 (2022: approximately HK\$835,000) has been past due 90 days or more. The past due amount relates to a number of independent customers that have good trade and payment records with the Group. There has not been a significant change in the credit quality of the relevant customers and the Group believes that the balances are still recoverable. The Group does not hold any collateral over these balances.

The average age of these receivables is approximately 62 days (2022: approximately 43 days) based on invoice dates.

Details of impairment assessment of trade and other receivables are set out in note 35(b).

19. 貿易及其他應收款項(續)

本集團給予貿易客戶5至120日信貸期，且可以根據特定貿易客戶與本集團之貿易量及過往付款記錄而予以延長該信貸期。下列為於報告期末基於發票日期(與各自之收益確認日期相近)扣除信貸虧損撥備後而呈列之貿易應收款項之賬齡分析：

At 31 December
於十二月三十一日

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
----------------------------------	----------------------------------

24,839	32,000
12,228	17,441
578	737
183	42
37,828	50,220

在接納任何新顧客前，本集團會採用外部訴訟搜索，評估每名潛在客戶之信貸質素及為每名客戶設定信貸限額。顧客之信貸限額及評級會每月作出檢討。

於二零二三年十二月三十一日，本集團之貿易應收款項結餘中包括合計總額為約13,856,000港元(二零二二年：約19,083,000港元)之應收款項，該等款項於報告日已逾期。已逾期結餘中，約867,000港元(二零二二年：約835,000港元)已逾期90日或以上。該等已逾期款項與多名和本集團保持良好貿易及付款紀錄之獨立客戶有關。該等客戶之信貸質素並無重大改變，且本集團相信仍可收回有關結餘。本集團並無就該等結餘而持有任何抵押品。

根據發票日期，該等應收款項的平均賬齡約為62日(二零二二年：約43日)。

有關貿易及其他應收款項減值評估之詳情載於附註35(b)。

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20. DEPOSITS AND PREPAYMENTS

20. 按金及預付款

		At 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Deposits for the acquisition of property, plant and machinery (note (a))	購置物業、廠房及機器之按金 (附註(a))	117,850	121,151
Prepaid insurance fees	已預付保險費用	674	820
Other prepayments and other deposits (note (b))	其他預付款及其他按金 (附註(b))	47,952	48,865
		166,476	170,836
Provision for impairment losses	減值虧損撥備	(15,492)	–
Total deposits and prepayment	按金及預付款總額	150,984	170,836
Analysed into:	分析為：		
– Current assets	– 流動資產	7,665	7,857
– Non-current assets	– 非流動資產	143,319	162,979
		150,984	170,836

Notes:

- (a) As at 31 December 2023, deposits of approximately HK\$112,858,000 (2022: approximately HK\$114,376,000) relating to the installation of a pulp production line at the manufacturing plant in the Philippines. During the year, given the geopolitical tension and fierce market competition in the industry, the Directors decided to postpone the process of installing a pulp production line at the manufacturing plant in the Philippines and are expected to resume progress between 2024 and 2025.

In this regard, the management of the Group conducted an impairment assessment on the aforesaid deposits paid as at 31 December 2023, and an impairment loss of approximately HK\$15,492,000 was recognised during the year.

- (b) In 2019 and 2020, the Group entered into a series of agreements with Batangas. Pursuant to the agreements, the Group agreed to prepay start-up funds of an aggregated amount of Renminbi ("RMB") 37,520,000 (equivalent to approximately HK\$40,961,000) (2022: RMB37,520,000 equivalent to approximately HK\$41,828,000) as at 31 December 2023 to Batangas to offset against the payment of the subcontracting fee or operating fee for managing the manufacturing of the pulp plant of the Group in Philippines upon the commencement of the operation.

附註：

- (a) 於二零二三年十二月三十一日，菲律賓製造廠安裝紙漿生產線相關按金約為112,858,000港元（二零二二年：約114,376,000港元）。年內，鑑於地緣政治局勢緊張及行業市場競爭激烈，董事決定推遲菲律賓製造廠安裝紙漿生產線的進程，並預期將於二零二四年至二零二五年期間恢復進度。

就此，本集團管理層對上述於二零二三年十二月三十一日之已付按金進行減值評估，並於年內確認減值虧損約15,492,000港元。

- (b) 於二零一九年及二零二零年，本集團與Batangas訂立一系列協議。根據該等協議，本集團同意向Batangas預付初始基金，於二零二三年十二月三十一日合共為人民幣（「人民幣」）37,520,000元（相當於約40,961,000港元）（二零二二年：人民幣37,520,000元，相當於約41,828,000港元），以抵銷本集團位於菲律賓之紙漿廠於開始投產後管理生產支付之分包費或經營費用。

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21. BANK BALANCES AND CASH

Bank balances carry interest at prevailing market rates from 0.001% to 1.610% (2022: 0.001% to 1.610%) per annum.

Included in the carrying amount of the Group's bank balances are following amount denominated in currencies other than functional currency of the relevant group entities:

21. 銀行結餘及現金

銀行結餘乃按現行市場年利率0.001%至1.610% (二零二二年：0.001%至1.610%)計息。

本集團銀行結餘之賬面值包括下列以相關集團實體之功能貨幣以外之貨幣列值之金額：

		At 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
RMB	人民幣	272	186
United States dollars ("USD")	美元(「美元」)	12,570	6,148
HK\$	港元	256	4,321

22. TRADE AND OTHER PAYABLES

Trade payables	貿易應付款項	27,483	25,540
Payables for the acquisition of property, plant and equipment	購置物業、廠房及設備之應付款項	3,121	4,244
Other PRC tax payables	應付其他中國稅項	12,576	28,898
Accrued charges (note)	應計支出(附註)	46,758	58,224
Other payables	其他應付款項	2,513	2,979

Notes: Major items in accrued charges are accrued salaries and wages.

22. 貿易及其他應付款項

		At 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
		27,483	25,540
		3,121	4,244
		12,576	28,898
		46,758	58,224
		2,513	2,979
		92,451	119,885

附註：應計支出的主要項目為應計薪金及工資。

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22. TRADE AND OTHER PAYABLES (Continued)

The suppliers of the Group grant credit periods ranging from 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are within the credit time frame. The following is an aged analysis of trade payables presented based on the invoice due date at the end of the reporting period:

		At 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Current	即期	15,776	13,574
Overdue 1 to 30 days	逾期1至30日	38	13
Overdue 31 to 60 days	逾期31至60日	-	5
Overdue for more than 60 days	逾期60日以上	11,669	11,948
		27,483	25,540

23. DUE TO A DIRECTOR

The advance is interest-free, unsecured and has no fixed repayment terms.

24. LEASE LIABILITIES

The advance is interest-free, unsecured and has no fixed repayment terms.

The advance is interest-free, unsecured and has no fixed repayment terms.

22. 貿易及其他應付款項(續)

本集團之供應商授出介乎30至90日的信貸期。本集團訂有財務風險管理政策，以確保所有應付款項均在信貸期限內清還。下列為於報告期末基於發票到期日期而呈列之貿易應付款項之賬齡分析：

23. 應付董事款項

有關墊款為免息、無抵押及無固定還款期。

24. 租賃負債

The advance is interest-free, unsecured and has no fixed repayment terms.

The advance is interest-free, unsecured and has no fixed repayment terms.

		At 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Lease liabilities payable:	應付租賃負債：		
Within one year	一年內	611	304
Within a period of more than one year but not more than two years	於一年以上但不超過兩年的期間內	323	-
		934	304
Less: Amounts due for settlement within 12 months shown under current liabilities	減：於流動負債列示之十二個月內到期償還金額	(611)	(304)
Amounts due for settlement after 12 months shown under non-current liabilities	於非流動負債列示之十二個月後到期償還金額	323	-

The weighted average incremental borrowing rates applied to lease liabilities range from 4.2% (2022: 3.0% to 5.0%).

租賃負債所採用的加權平均增量借款利率介乎4.2% (二零二二年：3.0%至5.0%)。

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25. BANK BORROWINGS

25. 銀行借貸

			At 31 December 於十二月三十一日	
		Effective interest rate 實際利率	2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Bank loans –Secured (note)	銀行貸款—有抵押 (附註)	3.93% to 3.99% (2022: Nil) 3.93%至3.99% (二零二二年：無)	72,831	–
Bank loans –Unsecured	銀行貸款—無抵押	Nil (2022: 1.16% to 4.34%) 無 (二零二二年：1.16%至4.34%)	–	98,105
			72,831	98,105

			At 31 December 於十二月三十一日	
			2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Carrying amount repayable*:	應償還賬面值*：			
Within one year	一年內		52,959	2,230
More than one year, but not exceeding two years	一年以上但不超過兩年		1,092	95,875
More than two years, but not exceeding five years	兩年以上但不超過五年		18,780	–
			72,831	98,105
Less: Amounts due within one year shown under current liabilities	減：於流動負債列示之一年內到期金額		(52,959)	(2,230)
Amounts due after one year shown as non-current liabilities	於非流動負債列示之一年後到期金額		19,872	95,875

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

* 到期金額乃根據載於貸款協議之議定預定還款日期釐定。

As at 31 December 2023 and 31 December 2022, the bank borrowings carry interest at floating rates, thus exposing the Group to cash flow interest rate risk. The interest rates are linked to PRC Loan Prime Rate (“LPR”).

於二零二三年十二月三十一日及二零二二年十二月三十一日，銀行借貸按浮動利率計息，因此本集團須承擔現金流量利率風險。該等利率與中國貸款市場報價利率（「貸款市場報價利率」）掛鉤。

Note: At 31 December 2023, the Group’s bank borrowings were secured by pledges of the Group’s property, plant and equipment with the carrying amount of approximately HK\$163,615,000 (2022: Nil) and right-of-use assets with the carrying amount of approximately HK\$17,073,000 (2022: Nil).

附註：於二零二三年十二月三十一日，本集團之銀行借貸以質押本集團賬面值約163,615,000港元（二零二二年：無）之物業、廠房及設備及賬面值約17,073,000港元（二零二二年：無）之使用權資產作為抵押。

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26. SHARE CAPITAL

26. 股本

		Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 千港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股股份		
Authorised:	法定股本：		
At 1 January 2022, 31 December 2022 and 31 December 2023	於二零二二年一月一日、 二零二二年十二月 三十一日及二零二三年 十二月三十一日	1,000,000	100,000
Issued and fully paid:	已發行及繳足股本：		
At 1 January 2022, 31 December 2022 and 31 December 2023	於二零二二年一月一日、 二零二二年十二月 三十一日及二零二三年 十二月三十一日	817,644	81,764

27. DEFERRED TAXATION

27. 遞延稅項

The followings are the deferred tax liabilities/(assets) recognised by the Group and movements thereon during the current and prior reporting years:

以下為本集團確認之遞延稅項負債／(資產)及於本報告年度及以往報告年度之變動：

		Impairment of property, plant and equipment 物業、廠房及 設備之減值 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Undistributed earnings of the PRC subsidiaries 中國附屬公司 之未分派盈利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2022	於二零二二年一月一日	(60,185)	(9,542)	60,246	17,761	8,280
(Credit)/charge to profit or loss	在損益(計入)/扣除	3,874	1,695	(552)	(3,736)	1,281
Exchange adjustments	匯兌調整	5,204	779	(5,328)	(1,426)	(771)
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	(51,107)	(7,068)	54,366	12,599	8,790
(Credit)/charge to profit or loss	在損益(計入)/扣除	19,583	404	(14,147)	(5,860)	(20)
Exchange adjustments	匯兌調整	821	142	(950)	(190)	(177)
At 31 December 2023	於二零二三年 十二月三十一日	(30,703)	(6,522)	39,269	6,549	8,593

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27. DEFERRED TAXATION (Continued)

At the end of the reporting period, the Group has unused tax losses of approximately HK\$167,566,000 (2022: approximately HK\$213,324,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$43,482,000 (2022: approximately HK\$46,034,000) of such losses. No deferred tax asset has been recognised in respect of the remaining approximately HK\$124,074,000 (2022: approximately HK\$167,290,000) due to the unpredictability of future profit streams. All unrecognised tax losses will expire in the years ranging from 2025 to 2027. At the end of the reporting period, the Group has deductible temporary differences arising from the impairment of property, plant and equipment of HK\$342,979,000 (2022: HK\$375,232,000). A deferred tax asset has been recognised in respect of approximately HK\$122,814,000 (2022: HK\$204,430,000) of such deductible temporary difference. No deferred tax asset has been recognised in respect of the remaining approximately HK\$200,165,000 (2022: HK\$170,802,000) as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards.

28. SHARE-BASED PAYMENTS

The Company approved and adopted a share option scheme (the "Scheme") on 3 June 2013 for the primary purpose of providing incentives or rewards to selected participants for their contribution to the Group.

Under the Scheme, the board of directors of the Company may grant options to eligible employees, including executive or non-executive directors (including independent non-executive directors), of the Company, its subsidiaries, or any entity ("Invested Entity") in which any member of the Group holds any equity interest, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to any supplier of goods or services to any member of the Group or any Invested Entity, any customer of the Group or any Invested Entity, and any consultants, advisers, managers, officers or entities that provide research, development or other technological support to the Group or any Invested Entity.

27. 遞延稅項(續)

於報告期末，本集團有未動用稅項虧損約167,566,000港元(二零二二年：約213,324,000港元)可抵銷未來溢利。已就該等虧損約43,482,000港元(二零二二年：約46,034,000港元)確認遞延稅項資產。由於無法預測未來溢利流，並無就餘額約124,074,000港元(二零二二年：約167,290,000港元)確認遞延稅項資產。所有未確認的稅務虧損將於二零二五年至二零二七年期間屆滿。於報告期末，本集團因物業、廠房及設備減值產生的可抵扣暫時性差異為342,979,000港元(二零二二年：375,232,000港元)。已就有關可抵扣暫時性差異約122,814,000港元(二零二二年：204,430,000港元)確認遞延稅項資產。由於不大可能獲得應課稅溢利可用作抵扣暫時性差異，故並無就餘額約200,165,000港元(二零二二年：170,802,000港元)確認遞延稅項資產。

根據中國企業所得稅法，預扣稅乃向中國附屬公司自二零零八年一月一日起所賺取之利潤而宣派之股息徵稅。

28. 以股份支付之支出

本公司已於二零一三年六月三日批准及採納購股權計劃(「該計劃」)，主要目的為對本集團作出貢獻之指定參與者作出鼓勵或獎賞。

根據該計劃，本公司董事會可向本公司、其附屬公司或本集團任何成員公司持有任何股權之任何機構(「所投資機構」)之合資格僱員(包括執行董事或非執行董事或獨立非執行董事)授出購股權，以認購本公司股份。另外，本公司有權不時授出購股權予任何向本集團之任何成員公司或任何所投資機構提供貨物或服務之任何供應商、本集團或任何所投資機構之任何客戶，以及向本集團或任何所投資機構提供研究、開發或其他技術支援服務之任何諮詢人、顧問、經理、高級職員或機構。

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28. SHARE-BASED PAYMENTS (Continued)

The total number of shares which may be issued upon exercise of all options to be granted under the Scheme must not in aggregate exceed 10% of the shares of the Company in issue as at the date of the passing of the ordinary resolution for adoption of the Scheme. The number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised at any time under the Scheme shall not exceed 30% of the issued share capital of the Company from time to time.

The number of shares in respect of which options may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders in accordance with the Scheme. Where any grant of options to a substantial shareholder or an independent non-executive director or any of their respective associates would result in the shares in the Company issued and to be issued upon exercise of all options to such person in the 12-month period up to and including the date of grant in excess of 0.1% of the shares of the Company in issue and with a value (based on the closing price of the shares of the Company at the offer date of each offer) in excess of HK\$5,000,000, such grant of options must be approved in advance by the Company's shareholders in accordance with the Scheme.

An option may be exercised at any time during the period to be determined and notified by the directors to the grantee and in the absence of such determination, from the date of acceptance of an offer of the grant of such option to the earlier of the date on which such option lapses and ten years from the date of offer of that option. A consideration of HK\$1 is payable upon acceptance of the offer.

The exercise price is determined by the directors of the Company, and will not be less than the higher of the nominal value of the share; the closing price of the Company's shares on the date of offer; and the average closing price of the shares for the five business days immediately preceding the date of offer.

28. 以股份支付之支出(續)

根據該計劃授出之購股權獲全數行使時可予發行之股份總數，合共不得超逾採納該計劃之普通決議案獲通過當日本公司已發行股份之10%。於任何時間因行使根據該計劃授出而未行使之全部購股權而可予以發行之股份之數目，不得超過本公司不時已發行股本之30%。

根據該計劃未經本公司股東事先批准，向任何個人可能授出之購股權涉及之股份數目，於任何十二個月期間，均不得超過本公司於任何時間已發行股份之1%。倘向一名主要股東或獨立非執行董事或任何彼等各自之聯繫人士授出任何購股權，會導致因授予該人士之所有購股權獲行使而於截至授出日期(包括當日)止十二個月期間，已經及將予以發行之本公司股份，合共佔本公司已發行股份超過0.1%，且價值(根據本公司股份於每次授出購股權日期之收市價計算)超過5,000,000港元，則根據該計劃該項授出購股權須事先得到本公司股東批准。

購股權可於董事釐定及知會承授人之期間內隨時行使，倘未有釐定，則由接納授出購股權日期起至該購股權失效之日或授出該購股權日期起計十年之較早日期。於接納購股權時須付1港元代價。

行使價乃由本公司董事釐定，惟不得低於股份面值、本公司股份於授出日期之收市價及股份緊接授出日期前五個營業日之平均收市價之較高者。

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28. SHARE-BASED PAYMENTS (Continued)

The following table discloses details of the Company's share options held by the directors and other employees and movements in such holdings during the year:

Option type	Date of grant	Exercise price	Outstanding at 1 January 2022 於二零二二年一月一日 尚未行使	Forfeited during the year 年內沒收	Outstanding at 31 December 2022 於二零二二年十二月三十一日 尚未行使	Forfeited during the year 年內沒收	Outstanding at 31 December 2023 於二零二三年十二月三十一日 尚未行使
Granted under Scheme 根據該計劃授出							
Option type G G類購股權	15.10.2018	0.435	17,636,000	(4,884,000)	12,752,000	(250,000)	12,502,000
Exercisable at the end of the year 於年末可行使					12,752,000		12,502,000
Weighted average exercised price 加權平均行使價		0.435	0.435	0.435	0.435	0.435	0.435

The vesting period, which is the period from the date of grant to the exercisable date, of the share options granted is determined by the Directors at each time when the options are granted. Holders of share options granted under the Scheme may only exercise their options during the exercisable periods as follows:

28. 以股份支付之支出 (續)

下表披露由董事及其他僱員持有之本公司購股權以及該等購股權於年內之變動詳情：

授出購股權之歸屬期為授出日期至可行使日期期間，乃由董事於每次授出購股權時釐定。根據該計劃授出之購股權之持有人僅可於以下可行使期間行使其購股權：

Option type G G類購股權

Vesting periods: 歸屬期：	15.10.2018 – 30.4.2019
	15.10.2018 – 30.4.2020
	15.10.2018 – 30.4.2021

Exercisable periods: 可行使期間：	1.5.2019 – 30.4.2026
	1.5.2020 – 30.4.2026
	1.5.2021 – 30.4.2026

Maximum% of share options exercisable 可行使購股權最高百分比

up to 50% 最高可達50%
up to 75% 最高可達75%
up to 100% (to the extent not already exercised) 最高可達100% (以尚未行使者為限)

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28. SHARE-BASED PAYMENTS (Continued)

The fair values of the share options at the grant date were calculated using the Binomial model. The inputs into the model were as follows:

Share price on the date of grant	於授出日期之股價	HK\$0.42港元
Exercise price	行使價	HK\$0.435港元
Expected volatility	預期波幅	60%
Expected life from date of grant	由授出日期起計預計年期	0.5 – 7.5 years年
Risk free rate	無風險利率	2.42%
Expected dividend yield	預計股息率	1.78%

Expected volatility was determined by using the historical volatility of the Company's 875-day share prices before the date of grant. The expected life used in the model has been adjusted, based on the management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

28. 以股份支付之支出(續)

於授出日期之購股權的公平值乃使用二項式模式計算。該模式之輸入數據如下：

預期波幅根據本公司於授出日期前875日期間之股價於過往之波幅釐定。該模式使用之預計年期已按管理層就不可轉讓性、行使限制及行為代價之影響作出之最佳估計調整。

29. CAPITAL COMMITMENTS

29. 資本承擔

		At 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Capital expenditure in respect of the acquisition of plant and equipment	收購廠房及設備的資本開支		
– contracted for but not provided	— 已訂約但未撥備	45,063	48,802

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30. LITIGATION AND CONTINGENT LIABILITIES

Tax issues of a subsidiary in the PRC

(a) Tax issue in relation to the value-added tax invoices received from certain suppliers

As referred to the Company's announcement dated 17 March 2023, Green Forest (QingXin) Paper Industrial Limited (森葉(清新)紙業有限公司) ("Green Forest Paper"), an indirect wholly-owned subsidiary of the Company, received (a) a decision on tax treatment dated 20 May 2022 ("Tax Treatment Decision") and (b) a decision on administrative penalty dated 20 May 2022 ("Tax Penalty Decision"), each issued by the Second Investigation Bureau of Qingyuan District Administration of Taxation of the State Administration of Taxation ("Qingyuan Tax Bureau") (國家稅務局清遠市稅務局第二稽查局) (collectively the "Decisions"), in relation to 1,073 value-added tax ("VAT") invoices (the "VAT Invoices") received from six suppliers of the Group (the "Six Suppliers") in 2013, 2014, 2017 and 2018 for the total invoiced amount of approximately RMB742,707,000 (consisting of price for product purchased of approximately RMB636,940,000 and VAT of approximately RMB105,767,000) and the tax deduction made by the Group in relation thereto.

Based on the Decisions, the VAT Invoices were found to be irregularly issued by the Six Suppliers, therefore Green Forest Paper was required to make up the tax payments amounted to approximately RMB109,142,000 (equivalent to approximately HK\$127,057,000), comprising the VAT of approximately RMB85,450,000, other taxes and surcharges of approximately RMB10,064,000 and the Enterprise Income Tax of approximately RMB13,628,000 (collectively the "Outstanding Tax Amount"), as well as a late payment at a daily rate of 0.05% on the Outstanding Tax Amount from the date such Outstanding Tax Amount was due until the date of actual payment. In addition, Green Forest Paper was also required to pay an administrative penalty in the amount of approximately RMB44,070,000 (equivalent to approximately HK\$51,304,000).

30. 訴訟及或然負債

中國附屬公司的稅務問題

(a) 關於若干供應商增值稅發票的稅務問題

誠如本公司日期為二零二三年三月十七日的公告所述，本公司的間接全資附屬公司森葉(清新)紙業有限公司(「森葉紙業」)收到(a)日期為二零二二年五月二十日的稅務處理決定書(「稅務處理決定書」)；和(b)日期為二零二二年五月二十日的行政處罰決定書(「稅務處罰決定書」)，分別由國家稅務局清遠市稅務局第二稽查局(「清遠稅務局」)出具(統稱「決定書」)，涉及1,073張增值稅(「增值稅」)發票(「增值稅發票」)，於二零一三年、二零一四年、二零一七年及二零一八年本集團從六名供應商(「六名供應商」)收取的發票金額合計約人民幣742,707,000元(含產品採購款約人民幣636,940,000元及增值稅約人民幣105,767,000元)及本集團就此作出的稅項抵扣。

根據決定書，由於六名供應商違規開具增值稅發票，因此森葉紙業需要補繳約人民幣109,142,000元(相當於約127,057,000港元)，當中包括增值稅約人民幣85,450,000元、其他稅項及附加費約人民幣10,064,000元及企業所得稅約人民幣13,628,000元(統稱「未繳稅款」)，以及從未繳稅款到期之日起至實際支付之日止，按未繳稅款的每日0.05%的比率繳納滯納金。此外，森葉紙業亦需要支付行政處罰罰款約人民幣44,070,000元(相當於約51,304,000港元)。

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30. LITIGATION AND CONTINGENT LIABILITIES

(Continued)

Tax issues of a subsidiary in the PRC (Continued)

(a) Tax issue in relation to the value-added tax invoices received from certain suppliers (Continued)

Upon receiving the Decisions, the Directors, after seeking legal advice from the Group's PRC legal advisor, considered that the Outstanding Tax Amount and the administrative penalty imposed under the Decisions lacked factual and legal support. Hence, Green Forest Paper has taken various actions to object to the Decisions.

The Tax Treatment Decision

In early August 2022, the Group submitted the tax payment guarantee application by post. On 18 August 2022, Qingyuan Tax Bureau replied in writing that it would not accept the tax payment guarantee application of Green Forest Paper because the application was made beyond the application deadline. On 20 August 2022, Green Forest Paper disagreed with the decision of Qingyuan Tax Bureau not accepting the tax payment guarantee application and therefore applied for an administrative review with Qingyuan Tax Bureau relating to this rejection. On 20 October 2022, Qingyuan Tax Bureau decided to uphold its decision of not accepting the tax payment guarantee application.

On 7 December 2022, Green Forest Paper filed an administrative proceeding against Qingyuan Tax Bureau at the People's Court of Qingxin District, Qingyuan City, Guangdong Province (廣東省清遠市清新區人民法院) ("Qingxin Court") to request for a revocation of the decision on not accepting the tax payment guarantee application. Pursuant to the administrative judgement dated 19 April 2023 from the Qingxin Court, the request for the revocation was rejected but the Group has the right to appeal within 15 days from the date of the judgement.

30. 訴訟及或然負債(續)

中國附屬公司的稅務問題(續)

(a) 關於若干供應商增值稅發票的稅務問題(續)

於收到決定書後，董事在尋求本集團中國法律顧問的意見後，認為決定書中的未繳稅款和行政罰款缺乏事實和法律支持，因此，森葉紙業已採取多項行動對決定書提出反對。

稅務處理決定書

二零二二年八月上旬，本集團通過郵遞提交納稅擔保申請，於二零二二年八月十八日，清遠稅務局以書面形式回覆，由於申請截止日期已過，因此清遠稅務局不會接受森葉紙業提出的納稅擔保申請。二零二二年八月二十日，森葉紙業對清遠稅務局不予受理納稅擔保申請的決定不服，就此向清遠稅務局發起行政訴訟。二零二二年十月二十日，清遠稅務局維持不予受理納稅擔保申請的決定。

二零二二年十二月七日，森葉紙業向廣東省清遠市清新區人民法院（「清新法院」）對清遠市稅務局提起行政訴訟，請求撤銷不予受理納稅擔保申請的決定。根據清新法院日期為二零二三年四月十九日的行政判決，該撤銷請求被駁回，惟本集團有權於判決日期起計15日內提出上訴。

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30. LITIGATION AND CONTINGENT LIABILITIES

(Continued)

Tax issues of a subsidiary in the PRC (Continued)

(a) Tax issue in relation to the value-added tax invoices received from certain suppliers (Continued)

The Tax Treatment Decision (Continued)

Subsequently, the Group filed an appeal against the aforesaid judgement at the Intermediate People's Court of Qingyuan City, Guangdong Province (廣東省清遠市中級人民法院) ("Intermediate Court"). Pursuant to the judgement dated 5 July 2023 from the Intermediate Court, the Intermediate Court concluded that the appeal was rejected, and the administrative judgement dated 19 April 2023 was upheld.

On 10 August 2023, the Group filed a retrial application against the judgement dated 5 July 2023 at Guangdong Higher People's Court, Guangdong Province (廣東省高級人民法院) ("Higher People's Court"). On 14 August 2023, the Higher People's Court accepted the Group's retrial application and will proceed with the retrial hearing if it considers the case meets the grounds and conditions for retrial after the verification procedures.

Up to the date of the consolidated financial statements, the Higher People's Court was still processing the retrial application.

The Tax Penalty Decision

On 22 August 2022, Green Forest Paper disagreed with the Tax Penalty Decision and applied for an administrative review with the Guangdong Province Administration of Taxation of the State Administration of Taxation ("Guangdong Province Tax Bureau") (國家稅務局廣東省稅務局). On 23 August 2022, the Guangdong Province Tax Bureau accepted the administrative review of the Tax Penalty Decision. On 8 November 2022, the Guangdong Province Tax Bureau decided to uphold the Tax Penalty Decision. On 24 November 2022, Green Forest Paper filed an administrative proceeding against the Guangdong Province Tax Bureau and Qingyuan Tax Bureau at the Guangzhou Railway Transport Court (廣州鐵路運輸法院) to request a review of the Tax Penalty Decision.

30. 訴訟及或然負債(續)

中國附屬公司的稅務問題(續)

(a) 關於若干供應商增值稅發票的稅務問題(續)

稅務處理決定書(續)

其後，本集團針對上述判決向廣東省清遠市中級人民法院(「中級法院」)提起上訴。根據中級法院日期為二零二三年七月五日的判決，中級法院裁定駁回上訴，並維持二零二三年四月十九日的行政判決。

於二零二三年八月十日，本集團針對二零二三年七月五日的判決向廣東省高級人民法院(「高級人民法院」)提出復審申請。於二零二三年八月十四日，高級人民法院受理本集團的復審申請，經核查程序認為案件符合復審理由及條件後，將進行復審聆訊。

截至綜合財務報表日期，高級人民法院仍在處理復審申請。

稅務處罰決定書

二零二二年八月二十二日，森葉紙業不服稅務處罰決定，向國家稅務局廣東省稅務局(「廣東省稅務局」)申請行政覆議。二零二二年八月二十三日，廣東省稅務局受理對稅務處罰決定書的行政覆議。二零二二年十一月八日，廣東省稅務局決定維持稅務處罰決定。二零二二年十一月二十四日，森葉紙業向廣州鐵路運輸法院提起對廣東省稅務局和清遠稅務局的行政訴訟，要求覆核稅務處罰決定書。

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30. LITIGATION AND CONTINGENT LIABILITIES

(Continued)

Tax issues of a subsidiary in the PRC (Continued)

(a) Tax issue in relation to the value-added tax invoices received from certain suppliers (Continued)

The Tax Penalty Decision (Continued)

In order to apply the administrative review application to the Guangdong Province Tax Bureau, the Group paid a certain portion of the Outstanding Tax Amount of approximately RMB20,297,000 (equivalent to approximately HK\$23,628,000) and recognised in "Other expenses" during the year ended 31 December 2022.

Pursuant to the administrative judgement dated 30 June 2023 from the Guangzhou Railway Transport Court, the decision of administrative review made by the Guangdong Province Tax Bureau on 8 November 2022 to uphold the Tax Penalty Decision shall be revoked, but the Guangdong Province Tax Bureau has the right to appeal within 15 days from the date of the judgement.

The Group subsequently received a summons from the Guangzhou Railway Transport Intermediate Court (廣州鐵路運輸中級法院) dated 2 November 2023, in which the Guangdong Province Tax Bureau filed an appeal against the administrative judgement dated 30 June 2023. The appeal hearing was held on 13 November 2023, and no order was made from the court up to the date of the consolidated financial statements.

30. 訴訟及或然負債 (續)

中國附屬公司的稅務問題 (續)

(a) 關於若干供應商增值稅發票的稅務問題 (續)

稅務處罰決定書 (續)

為向廣東省稅務局申請行政覆議，本集團已支付若干部分未繳稅款約人民幣20,297,000元(相等於約23,628,000港元)，並於截至二零二二年十二月三十一日止年度於「其他開支」確認。

根據廣州鐵路運輸法院日期為二零二三年六月三十日之行政判決，廣東省稅務局於二零二二年十一月八日作出維持稅務處罰決定書的行政覆核決定應予撤銷，惟廣東省稅務局有權於判決日期起計15日內提出上訴。

本集團其後於二零二三年十一月二日收到廣州鐵路運輸中級法院的傳票，其中廣東省稅務局對日期為二零二三年六月三十日的行政判決提出上訴。上訴聆訊已於二零二三年十一月十三日展開，截至綜合財務報表日期，法院尚未作出任何命令。

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30. LITIGATION AND CONTINGENT LIABILITIES

(Continued)

Tax issues of a subsidiary in the PRC (Continued)

(b) Tax Matter Notice

On 8 February 2023, Green Forest Paper received a tax matter notice (“Tax Matter Notice”) issued by the Second Branch Bureau of Qingxin District Qingyuan City Administration of Taxation of the State Administration of Taxation (“Qingxin Tax Bureau”) (國家稅務總局清遠市清新區稅務局第二稅務分局). Based on the Tax Matter Notice, since the tax credit level of Green Forest Paper was adjusted to D-level for the assessment years from 2015 to 2020, as a result, Green Forest Paper has to pay the previous VAT refund amounted to approximately RMB32,070,000 (equivalent to approximately HK\$37,334,000) for the period from July 2015 to October 2020 according to the relevant regulations.

Pursuant to the Tax Matter Notice, in case Green Forest Paper disagrees with the Tax Matter Notice, Green Forest Paper must pay the outstanding VAT within the prescribed period or otherwise provide the relevant tax payment guarantee on the outstanding VAT. Once the VAT payments or the tax payment guarantee is confirmed, Green Forest Paper may submit an administrative review application to the Qingxin Tax Bureau within 60 days from the date of the tax payments or confirmation of the tax payment guarantee. Green Forest Paper completed the tax payment guarantee procedures and was confirmed by the Qingxin Tax Bureau on 23 March 2023.

On 7 April 2023, Green Forest Paper disagreed with the Tax Matter Notice and applied for an administrative review with the Qingxin Tax Bureau.

On 2 June 2023, the State Administration of Taxation Qingyuan City Qingxin District Taxation Bureau (國家稅務總局清遠市清新區稅務局) issued an administrative review decision stating that the Qingyuan Tax Bureau shall revoke the Tax Matter Notice and re-handle it in accordance with the applicable laws.

30. 訴訟及或然負債(續)

中國附屬公司的稅務問題(續)

(b) 稅務事項通知書

於二零二三年二月八日，森葉紙業收到國家稅務總局清遠市清新區稅務局第二稅務分局（「清新區稅務局」）出具的稅務事項通知書（「稅務事項通知書」）。根據稅務事項通知書，由於森葉紙業二零一五至二零二零評稅年度的納稅信用級別調整為D級，故森葉紙業應按有關規定補繳自二零一五年七月至二零二零年十月的前期增值稅退稅約人民幣32,070,000元（相當於約37,334,000港元）。

根據稅務事項通知書，如果森葉紙業不服稅務事項通知書，森葉紙業必須在規定期限內補繳所欠增值稅款或就所欠增值稅款提供相關納稅擔保。當增值稅繳納後或納稅擔保確認後，森葉紙業可自繳納稅款或納稅擔保確認之日起60日內向清新區稅務局提出行政覆議申請。森葉紙業已於二零二三年三月二十三日完成納稅擔保手續並獲得清新區稅務局確認。

於二零二三年四月七日，森葉紙業不服稅務事項通知書，並向清新稅務局申請行政覆議。

於二零二三年六月二日，國家稅務總局清遠市清新區稅務局作出行政覆議裁決，表示清遠區稅務局應撤銷稅務事項通知書，並根據適用法例重新處理。

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30. LITIGATION AND CONTINGENT LIABILITIES

(Continued)

Tax issues of a subsidiary in the PRC (Continued)

Save as disclosed above, there was no further development with regard to the Decisions and the Tax Matter Notice as at the date of the consolidated financial statements.

The Directors are of the view that no provision of the relevant tax amounts concerning the Decisions and the Tax Matter Notice as at 31 December 2023 and 2022 as stated in the above should be provided on the basis that the Group is in the process of making appeals against the relevant judgements and the judgements on the Tax Penalty Decision and the Tax Matter Notice received by the Group up to the date of the consolidated financial statements were favourable to the Group. However, the results of the appeal applications made by the Group and the appeal applications made against the Group were not yet available up to the date of these consolidated financial statements, which led to significant uncertainties regarding the extent and financial impact arising from the Decisions and the Tax Matter Notice on the consolidated financial statement of the Company.

31. RETIREMENT BENEFIT SCHEME

Hong Kong

The Group has joined the MPF Scheme for its employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the MPF Scheme.

The retirement benefit scheme contributions arising from the MPF Scheme charged to the consolidated statement of profit or loss and other comprehensive income represents contributions payable to the funds by the Group at rates specified in the rules of the scheme.

30. 訴訟及或然負債(續)

中國附屬公司的稅務問題(續)

除上文所披露者外，於綜合財務報表日期，有關決定書及稅務事項通知書並無進一步發展。

董事認為，鑑於本集團正在就相關判決提出上訴，且截至綜合財務報表日期，本集團所收到有關稅務處罰決定書及稅務事項通知書之判決對本集團有利，故不應於二零二三年及二零二二年十二月三十一日就決定書及稅務事項通知書計提上述相關稅額的撥備。然而，截至該等綜合財務報表日期，本集團作出之上訴申請及針對本集團之上訴申請尚未有結果，導致有關決定書及稅務事項通知書對本公司綜合財務報表的範圍及產生的財務影響存在重大不確定性。

31. 退休福利計劃

香港

本集團為其香港僱員加入強積金計劃。強積金計劃根據強制性公積金計劃條例於強制性公積金計劃管理局註冊。強積金計劃之資產與本集團資產分開，並由獨立受託人控制之基金託管。根據強積金計劃規則，僱主及其僱員各自須按規則指定的比率向強積金計劃繳付供款。本集團就強積金計劃之唯一責任是向強積金計劃繳付規定的供款。

於綜合損益及其他全面收益表支銷之強積金計劃退休福利計劃供款為本集團按計劃規定之比率應付基金之供款。

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31. RETIREMENT BENEFIT SCHEME (Continued)

PRC

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute a certain percentage of the salaries of their employees to the state-managed retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

During the year, the retirement benefit scheme contributions amounted to approximately HK\$5,150,000 (2022: approximately HK\$10,466,000).

32. RELATED PARTY TRANSACTIONS

The remuneration of directors, who are the key management of the Group, during the year are as follows.

The remuneration of executive directors, who are also the key executives of the Group, is determined by the remuneration committee having regard to the performance of individuals and market trends.

31. 退休福利計劃(續)

中國

本集團之中國附屬公司僱員為中國政府營運之國家管理退休福利計劃成員。附屬公司須將彼等僱員之薪酬某一百分比率向國家管理之退休福利計劃供款。本集團就退休福利計劃之唯一責任為向該計劃繳付規定的供款。

年內，退休福利計劃供款約為5,150,000港元（二零二二年：10,466,000港元）。

32. 關連人士交易

身為本集團主要管理人員之董事於年內之酬金如下：

Year ended 31 December 截至十二月三十一日止年度

2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
----------------------------------	----------------------------------

Short-term benefits	短期福利	13,089	15,128
Post-employment benefits	退休金	54	47
		13,143	15,175

執行董事亦身兼本集團主要行政人員，彼等之酬金由薪酬委員會視乎個人表現及市場趨勢釐定。

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33. 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 flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

33. 融資活動之負債對賬

下表詳列本集團融資活動之負債變動，包括現金及非現金變動。融資活動產生之負債乃指其現金流量或未來現金流量於本集團綜合現金流量表中分類為融資活動現金流量之負債。

		Due to a director 應付 董事款項 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元	Bank borrowings and interest payable 銀行借貸 及應付利息 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2022	於二零二二年一月一日	-	10,065	227,187	237,252
Financing cash flows (note a)	融資現金流量(附註a)	-	(9,578)	(122,661)	(132,239)
Interest accrued	應計利息	-	266	8,159	8,425
Exchange adjustments	匯兌調整	-	(449)	(14,455)	(14,904)
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	-	304	98,230	98,534
Financing cash flows (note a)	融資現金流量(附註a)	1,381	(636)	(27,072)	(26,327)
Addition	增加	-	1,221	-	1,221
Interest accrued	應計利息	-	45	3,510	3,555
Exchange adjustments	匯兌調整	(16)	-	(1,748)	(1,764)
At 31 December 2023	於二零二三年 十二月三十一日	1,365	934	72,920	75,219

Notes:

- (a) The cash flows represent the proceeds used for addition/repayment of bank borrowings, repayment of lease liabilities and interest paid in the consolidated statement of cash flows.

附註：

- (a) 現金流量指綜合現金流量表中用作增添/償還銀行借貸、償還租賃負債及已付利息的所得款項。

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34. 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 from prior year.

The capital structure of the Group consists of debt, which includes the lease liabilities and bank borrowings disclosed in notes 24 and 25, respectively, and equity attributable to owners of the Company, comprising issued share capital and reserves.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

35. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

34. 資本風險管理

為確保本集團旗下各實體可繼續持續經營，本集團對其資本實行管理，並透過使債務及股本達致最佳平衡而為股東取得最大回報。本集團的整體策略自往年起維持不變。

本集團的資本架構包括債務（當中包括附註24及25所分別披露之租賃負債及銀行借貸）以及本公司擁有人應佔權益（包括已發行股本及儲備）。

董事定期檢討資本架構。作為檢討的一部分，董事已考慮資金成本及每類資本的相關風險。根據董事的建議，本集團將透過派付股息、發行新股、購回股份以及發行新債項或贖回現有債項，藉以平衡整體資本架構。

35. 金融工具

a. 金融工具之類別

		At 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
<i>Financial assets</i>	<i>財務資產</i>		
Financial assets at amortised cost	按攤銷成本計量之財務資產	94,970	172,478
<i>Financial liabilities</i>	<i>財務負債</i>		
Financial liabilities at amortised cost	按攤銷成本計量之財務負債	113,302	138,793

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35. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, deposits, bank balances and cash, trade and other payables, lease liabilities and bank borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The Directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Foreign currency risk

Non-derivative foreign currency monetary assets and monetary liabilities

A significant portion of the Group's sales is denominated in RMB and a significant portion of the Group's purchases is denominated in RMB and USD. The Group's manufacturing operations are located in the PRC.

Several subsidiaries of the Group have foreign currency sales and purchases, which expose the Group to foreign currency risk. Certain bank balances, trade and other receivables, trade and other payables and bank borrowings are denominated in the foreign currencies of the relevant group entities. The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging foreign exposure should the need arise.

35. 金融工具(續)

b. 財務風險管理目標及政策

本集團之主要金融工具包括貿易及其他應收款項、按金、銀行結餘及現金、貿易及其他應付款項、租賃負債以及銀行借貸。該等金融工具之詳情載於各有關附註內。該等金融工具涉及之風險包括市場風險(外幣風險及利率風險)、信貸風險及流動資金風險。下文載列降低該等風險之政策。董事管理及監察該等風險，確保適時和有效地採取適當措施。

市場風險

(i) 外幣風險

非衍生外幣貨幣資產與貨幣負債

本集團大部份銷售以人民幣列值，而本集團大部份採購乃以人民幣及美元列值。本集團之製造業務位於中國。

本集團的多間附屬公司以外幣進行買賣，令本集團承受外幣風險。若干銀行結餘、貿易及其他應收款項、貿易及其他應付款項以及銀行借貸以相關集團實體之外幣列值。本集團現時並無外匯對沖政策。然而，本集團管理層會監察外匯風險及於有需要時考慮對沖外匯風險。

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35. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Foreign currency risk (Continued)

Non-derivative foreign currency monetary assets and monetary liabilities (Continued)

At the reporting date, the carrying amounts of the Group's monetary assets and monetary liabilities denominated in currencies other than the respective functional currencies of the relevant group entities are as follows:

		Assets 資產		Liabilities 負債	
		At 31 December 於十二月三十一日		At 31 December 於十二月三十一日	
		2023 二零二三年	2022 二零二二年	2023 二零二三年	2022 二零二二年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
RMB	人民幣	261	186	-	-
HK\$	港元	256	4,321	-	2
USD	美元	12,570	6,148	9	9

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currencies of the relevant group entities against the relevant foreign currencies. A sensitivity rate of 5% represents the assessment of the Directors of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates.

The sensitivity analysis below shows the impact relates to monetary assets or liabilities that are denominated in RMB, HK\$ or USD against the functional currencies of relevant group entities, HK\$ or RMB respectively.

35. 金融工具 (續)

b. 財務風險管理目標及政策 (續)

市場風險 (續)

(i) 外幣風險 (續)

非衍生外幣貨幣資產與貨幣負債 (續)

於報告日，本集團的有關集團實體各自以功能貨幣以外之貨幣列值的貨幣資產及貨幣負債之賬面值如下：

外幣敏感度分析

下表詳列本集團對有關集團實體之功能貨幣兌相關外幣升值及貶值5%之敏感度。敏感度5%為董事對匯率可能變動之合理評估。敏感度分析僅包括以外幣計算之尚未平倉貨幣項目，並於年末調整其兌換以反映匯率之5%變動。

下文之敏感度分析顯示以人民幣、港元或美元計值之貨幣資產或負債分別兌相關集團實體功能貨幣港元或人民幣之影響。

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35. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Foreign currency risk (Continued)

Non-derivative foreign currency monetary assets and monetary liabilities (Continued)

Foreign currency sensitivity analysis (Continued)

In relation to monetary assets, where the functional currency of the relevant group entity strengthens 5% against the currency in which the assets are denominated, there would be an increase in post-tax loss (2022: increase in post-tax loss) for the year. However, in relation to monetary liabilities, where the functional currency of the relevant group entity strengthens 5% against the currency in which the liabilities are denominated, there would be a decrease in post-tax loss (2022: decrease in post-tax loss) for the year. A 5% weakening of the functional currency would have an equal but opposite impact on the post-tax loss (2022: post-tax loss) for the year.

35. 金融工具(續)

b. 財務風險管理目標及政策(續)

市場風險(續)

(i) 外幣風險(續)

非衍生外幣貨幣資產與貨幣負債(續)

外幣敏感度分析(續)

就貨幣資產而言，倘相關集團實體之功能貨幣較資產所採納計值之貨幣升值5%，則年度稅後虧損將會增加(二零二二年：稅後虧損增加)。然而，就貨幣負債而言，倘相關集團實體之功能貨幣較負債所採納計值之貨幣升值5%，則年度稅後虧損將會減少(二零二二年：稅後虧損減少)。功能貨幣貶值5%，則年度稅後虧損(二零二二年：稅後虧損)會受到相同數額但相反之影響。

	RMB Impact 人民幣之影響		USD Impact 美元之影響		HK\$ Impact 港元之影響	
	At 31 December 於十二月三十一日		At 31 December 於十二月三十一日		At 31 December 於十二月三十一日	
	2023 二零二三年	2022 二零二二年	2023 二零二三年	2022 二零二二年	2023 二零二三年	2022 二零二二年
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Increase in post-tax loss (2022: Increase in post-tax loss)						
稅後虧損增加(二零二二年：稅後虧損增加)	(11)	(8)	(524)	(256)	(11)	(180)

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

本公司董事認為，由於年末風險並不能反映年內之風險，故敏感度分析並不代表固有之外匯風險。

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35. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(iii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to lease liabilities (see note 24 for details) and cash flow interest rate risk in relation to variable-rate bank borrowings (see note 25 for details of these borrowings), bank balances and deposits. The Directors consider that the interest rate risk on bank balances and deposits is minimal, accordingly, no sensitivity analysis is performed.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk section of this note. The Group cash flow interest rate risk is mainly concentrated on the fluctuation of LPR arising from the Group's borrowings denominated in RMB.

Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rates for non-derivatives instruments. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. An increase or decrease of 50 basis points represents the assessment of the Directors of the reasonably possible change in interest rates. For the Group's exposure to interest rates on its variable-rate bank borrowings, if interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax loss (2022: loss) for the year would have increased/decreased by approximately HK\$304,000 (2022: increased/decreased by approximately HK\$410,000).

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the interest rate risk as the year end exposure does not reflect the exposure during the year.

35. 金融工具 (續)

b. 財務風險管理目標及政策 (續)

市場風險 (續)

(iii) 利率風險

本集團承受與租賃負債有關之公平值利率風險(詳情請見附註24)及與浮息銀行借貸(該等借貸之詳情請見附註25)、銀行結餘及存款有關之現金流量利率風險。董事認為，銀行結餘及存款之利率風險極低。因此，無須進行敏感度分析。

本集團承受財務負債之利率風險詳述於本附註之流動資金風險部份內。由於本集團的借貸以人民幣列值，本集團的現金流量利率風險主要集中於貸款市場報價利率之波動。

利率敏感度分析

敏感度分析乃根據非衍生工具所承受之利率風險而作出，此分析乃假設於報告期末未償還的金融工具乃於整個年度未償還。增加或減少50個基點為董事對利率可能合理變動之評估。本集團的浮息銀行借貸面對利率風險，如利率增加/減少50個基點，而所有其他變數維持不變，則本集團之年度稅後虧損(二零二二年：虧損)將會增加/減少約304,000港元(二零二二年：增加/減少約410,000港元)。

本公司董事認為，由於年末風險並不能反映年內之風險，故敏感度分析並不代表利率風險。

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35. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, bank balances, other receivables and deposits. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with some trade receivables are mitigated because the settlement of certain trade receivables is backed by bills issued by reputable financial institutions.

Trade receivables arising from contracts with customers

In order to minimise the credit risk, the Directors have delegated a team responsible for the 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 performs impairment assessment under the ECL model on trade receivables individually or based on a collective assessment. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas, and thus the Group does not have a significant concentration of credit risk.

35. 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

信貸風險指本集團的交易對手未能履行其合約義務並對本集團做成財務損失之風險。本集團的信貸風險主要為貿易應收款項、銀行結餘、其他應收款項及按金。本集團並無持有任何抵押品或其他信貸提升以涵蓋其財務資產之相關風險，惟與貿易應收款項相關的信貸風險已減少，因為若干貿易應收款項的結算以信譽良好的金融機構發出的票據作為抵押。

客戶合約產生的貿易應收款項

為盡量降低信貸風險，董事已委派一組人員負責制訂信貸限額、信貸審批及其他監控程序，以確保採取跟進措施收回逾期未付之債項。此外，本集團根據預期信貸虧損模式，或根據集體評估，作出減值評估。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

貿易應收款項涉及大量客戶，並跨越不同行業以及地區，因此本集團並無重大集中之信貸風險。

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35. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables arising from contracts with customers (Continued)

For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for credit-impaired debtors with a gross carrying amount of approximately HK\$867,000 as at 31 December 2023 (2022: approximately HK\$836,000), the Group determines the ECL on the trade receivables that are not credit-impaired with a gross carrying amount of approximately HK\$37,828,000 as at 31 December 2023 (2022: approximately HK\$50,220,000) under collective assessment, grouped based on shared credit risk characteristics by reference to past default experience and current past due status of debtors.

As part of the Group's credit risk management, the Group uses debtors' past due status to assess the impairment for its customers because these customers consist of a large number of customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

During the year ended 31 December 2023, an impairment loss under the ECL model of approximately HK\$174,000 (2022: reversal of impairment loss under the ECL model of approximately HK\$151,000) is recognised for trade receivables. Details of the quantitative disclosures are set out below in this note.

35. 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)

客戶合約產生的貿易應收款項(續)

就貿易應收款項而言，本集團已就香港財務報告準則第9號應用簡化方式，計量全期的預期信貸虧損的虧損撥備。除於二零二三年十二月三十一日總賬面值約為867,000港元(二零二二年：約836,000港元)的款項已出現信貸減值的債務人外，本集團參考債務人的過往違約經驗及目前逾期情況，根據共有的信貸風險特徵分組，使用集體評估釐定於二零二三年十二月三十一日總賬面值為約37,828,000港元(二零二二年：約50,220,000港元)並未出現信貸減值的貿易應收款項的預期信貸虧損。

作為本集團信貸風險管理的部分，本集團使用債務人的過往逾期情況，評估其客戶的減值，因為該等客戶包括具有常見風險特徵的大量客戶，該等特徵代表客戶根據合約條款償還所有款項的能力。

估計虧損比率乃根據過往觀察到違約比率相比債務人的預期期限估計，以及就毋須付出不必要的成本或費力而取得的前瞻性資料作出調整。分組會由管理層定期檢視，確保關於特定債務人的相關資料已獲得更新。

於截至二零二三年十二月三十一日止年度，本集團就貿易應收款項確認預期信貸虧損模式下之減值虧損約174,000港元(二零二二年：預期信貸虧損模式下之減值虧損撥回約151,000港元)。有關量化披露之詳情載於本附註下文。

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35. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Bank balances

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for bank balances by reference to information relating to the probability of default and loss given default of the respective credit rating grades published by external credit rating agencies.

Other receivables and deposits

For other receivables and deposits, the Directors make a periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The Directors believe that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the year ended 31 December 2022, the Group assessed the ECL for other receivables and deposits with a gross carrying amount of approximately HK\$9,870,000 as at 31 December 2023 (2022: approximately HK\$11,462,000) was insignificant and thus no loss allowance was recognised.

35. 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

由於交易對方為獲國際信貸評級機構評級為信譽良好的銀行，故銀行結餘的信貸風險有限。本集團參考有關外部信貸評級機構發佈的相應信貸評級等級的違約概率及違約損失的資料，評估了銀行結餘的12個月預期信貸虧損。

其他應收款項及按金

就其他應收款項及按金而言，董事根據過往償付記錄、過往經驗以及合理且具理據支持的前瞻性定量及定性資料，對其他應收款項及按金的可收回性進行定期個別評估。董事認為自初始確認以來該等款項的信貸風險並無顯著增加且本集團根據12個月預期信貸虧損撥備減值。截至二零二二年十二月三十一日止年度，本集團評估於二零二三年十二月三十一日總賬面值約為9,870,000 港元(二零二二年：約11,462,000 港元)的其他應收款項及按金的預期信貸虧損並不重大，因此並無確認虧損撥備。

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35. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Other receivables and deposits (Continued)

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

Internal credit rating 內部信貸評級

Description 詳述

35. 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)

其他應收款項及按金 (續)

本集團的內部信貸風險評估級別包括以下類別：

Trade receivables 貿易應收款項

Other financial assets 其他財務資產

Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
低風險	交易對手違約風險低，亦無任何逾期款項	全期預期信貸虧損－無信貸減值	12個月預期信貸虧損
Watch list	Debtor frequently repays after due dates but usually settle after due date	Lifetime ECL – not credit-impaired	12m ECL
觀察名單	債務人頻密於到期日後才結清，並通常於到期日後結清	全期預期信貸虧損－無信貸減值	12個月預期信貸虧損
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
可疑	透過內部產生之資料，信貸風險自初始確認以來明顯增加	全期預期信貸虧損－無信貸減值	全期預期信貸虧損－無信貸減值
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
虧損	有證據顯示該資產已出現信貸減值	全期預期信貸虧損－出現信貸減值	全期預期信貸虧損－出現信貸減值
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off
撇銷	有證據顯示債務人有嚴重財政困難，本集團無收回款項之務實期望	款項予以撇銷	款項予以撇銷

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35. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Other receivables and deposits (Continued)

The table below details the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes 附註	Internal credit rating 內部信貸 評級	12-month or lifetime ECL 12個月或全期預期 信貸虧損	Gross carrying amount	
				賬面總額	
				At 31 December	
				於十二月三十一日	
				2023	2022
				二零二三年	二零二二年
				HK\$'000	HK\$'000
				千港元	千港元
Financial assets at amortised cost					
以攤銷成本計量之 財務資產					
Trade receivables	19	Note	Lifetime ECL – not credit-impaired (collective assessment)	37,828	50,220
貿易應收款項		附註	全期預期信貸虧損 – 無信貸減值 (整體評估)		
Trade receivables	19	Loss	Lifetime ECL – credit-impaired	867	836
貿易應收款項		虧損	全期預期信貸虧損 – 信貸減值		
Other receivables	19	Low risk	12m ECL	9,770	10,114
其他應收款項		低風險	12個月預期信貸虧損		
Deposits	20	Low risk	12m ECL	100	1,348
按金		低風險	12個月預期信貸虧損		
Bank balances	21	Low risk	12m ECL	47,272	110,796
銀行結餘		低風險	12個月預期信貸虧損		

Note: For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors that are credit-impaired, the Group determines the ECL on these items on a collective basis, grouped by past due status.

35. 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)

其他應收款項及按金 (續)

下表詳細列出需要進行預期信貸虧損評估的本集團財務資產的信貸風險：

附註：就貿易應收款項而言，本集團已應用香港財務報告準則第9號的簡化方法計量全期預期信貸虧損的虧損撥備。除出現信貸減值的應收賬款外，本集團按集體基準釐定該等項目的預期信貸虧損，按逾期情況分類。

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35. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Other receivables and deposits (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach:

35. 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)

其他應收款項及按金 (續)

下表顯示根據簡化方法已確認的貿易應收款項的全期預期信貸虧損：

		Lifetime ECL (credit-impaired) 全期預期 信貸虧損 (信貸減值) HK\$'000 千港元
At 1 January 2022	於二零二二年一月一日	1,076
Impairment losses reversed	撥回減值虧損	(151)
Exchange adjustments	匯兌調整	(89)
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	836
Impairment losses recognised	已確認減值虧損	174
Written off	撇銷	(125)
Exchange adjustments	匯兌調整	(18)
At 31 December 2023	於二零二三年十二月三十一日	867

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35. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan repayment terms.

The Group relies on bank borrowings as a significant source of liquidity. The Group monitors its current and expected liquidity requirements regularly and ensures sufficient liquid cash and adequate committed lines of funding from reputable financial institutions to meet the Group's liquidity requirements in the short and long term.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank borrowings with a repayment-on-demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

35. 金融工具(續)

b. 財務風險管理目標及政策(續)

流動資金風險

在管理流動資金風險時，本集團監控及維持管理層認為充足之現金及現金等值水平，從而為本集團營運提供資金及減低現金流量波動之影響。管理層監控銀行借貸之動用情況，並確保符合貸款償還條款之規定。

本集團依賴銀行借貸作為其流動資金之主要來源。本集團會定期監控其當前及預期流動資金需求，確保其維持充足之流動現金及從信譽良好之金融機構獲得足夠之承諾貸款額以應付本集團之短期及長期流動資金需求。

下表詳列本集團之財務負債之剩餘合約到期期限。該表乃按本集團可被要求付款的最早到期日的財務負債未折現現金流量列示。特別是，包含按要求償還條款之銀行借貸，不論銀行會否行使其權利，均納入最早到期期間。其他非衍生財務負債之到期日則按照議定還款日期。表中包括利息及本金現金流量。

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35. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity and interest risk tables

		Weighted average effective interest rate 加權平均 實際利率 %	On demand or less than 1 month 按要求或 一個月內 千港元	1 to 3 month(s) 一個月至 三個月 千港元	3 months to 1 year 三個月至 一年 千港元	1-2 years 一年至兩年 千港元	2-5 years 兩年至五年 千港元	Total undiscounted cashflows 未折現現金 流量總額 千港元	Carrying amount 賬面值 千港元
As at 31 December 2023	於二零二三年 十二月三十一日								
Trade and other payables	貿易及其他應付款項	N/A不適用	39,106	-	-	-	-	39,106	39,106
Due to a director	應付董事款項	N/A不適用	1,365	-	-	-	-	1,365	1,365
Lease liabilities	租賃負債	4.2	53	159	424	326	-	962	934
Bank borrowings - variable rate	銀行借貸 - 浮息	4.0	175	729	54,899	1,854	19,202	76,859	72,831
			40,699	888	55,323	2,180	19,202	118,292	114,236
As at 31 December 2022	於二零二二年 十二月三十一日								
Trade and other payables	貿易及其他應付款項	N/A不適用	40,688	-	-	-	-	40,688	40,688
Lease liabilities	租賃負債	3.6	53	159	98	-	-	310	304
Bank borrowings - variable rate	銀行借貸 - 浮息	4.2	293	683	5,326	99,753	-	106,055	98,105
			41,034	842	5,424	99,753	-	147,053	139,097

The amounts included above for non-derivative financial liabilities with variable interest rate are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

倘浮動利率於報告期末之變動不同於已釐定之利率估計，則以上關於非衍生財務負債（按浮動利率）的金額須作出變更。

35. 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)

流動資金及利息風險表

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35. FINANCIAL INSTRUMENTS (Continued)

c. Fair value

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

35. 金融工具(續)

c. 公平值

董事認為綜合財務報表內以攤銷成本記錄之財務資產及財務負債之賬面值與其公平值相若。

36. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

36. 本公司財務狀況及儲備表

		At 31 December 於十二月三十一日	
		2023 二零二三年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元
Non-current assets	非流動資產		
Interest in subsidiaries	於附屬公司之權益	1,316,553	1,358,004
		1,316,553	1,358,004
Current assets	流動資產		
Deposits and prepayments	按金及預付款	545	444
Amounts due from subsidiaries	應收附屬公司款項	283,976	330,236
Bank balances and cash	銀行結餘及現金	5,384	14,308
		289,905	344,988
Current liabilities	流動負債		
Other payables and accrued charges	其他應付款項及應計支出	13,561	13,464
Amounts due to subsidiaries	應付附屬公司款項	1,094,290	1,084,022
		1,107,851	1,097,486
Net current liabilities	流動負債淨值	(817,946)	(752,498)
Net assets	資產淨值	498,607	605,506
Capital and reserves	股本及儲備		
Share capital	股本	81,764	81,764
Reserves	儲備	416,843	523,742
		498,607	605,506

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36. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

Details of the movement of reserves in the Company are set out below:

36. 本公司財務狀況及儲備表(續)

本公司之儲備變動詳情載列如下：

		Share premium 股份溢價 HK\$'000 千港元	Share options reserves 購股權儲備 HK\$'000 千港元	Retained profits 保留利潤 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2022	於二零二二年一月一日	492,392	3,663	51,347	547,402
Loss and total comprehensive expense for the year	年度虧損及全面開支總額	-	-	(23,660)	(23,660)
Transfer upon forfeiture of share options	沒收購股權後轉撥	-	(1,100)	1,100	-
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	492,392	2,563	28,787	523,742
Loss and total comprehensive expense for the year	年度虧損及全面開支總額	-	-	(106,899)	(106,899)
Transfer upon forfeiture of share options	沒收購股權後轉撥	-	(50)	50	-
At 31 December 2023	於二零二三年十二月三十一日	492,392	2,513	(78,062)	416,843

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37. PARTICULARS OF PRINCIPAL SUBSIDIARIES

37. 主要附屬公司資料

Particulars of the principal subsidiaries as at 31 December 2023 and 31 December 2022 are as follows:

於二零二三年十二月三十一日及二零二二年十二月三十一日之主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立/ 營業地點	Issued and fully paid share capital/ contributed capital 已發行及繳足股本/ 實繳股本	Equity interest attributable to the Group 本集團應佔股本權益		Principal activities 主要業務	
			At 31 December 於十二月三十一日			
			2023 二零二三年 %	2022 二零二二年 %		
Fung Kong Shing Fung Paper Ware Factory Limited 鳳尚誠豐紙品廠有限公司	Hong Kong 香港	Ordinary shares HK\$2 普通股2港元	100	100	Investment holding 投資控股	
Green Forest Paper (note) 森葉紙業(附註)	PRC 中國	Contributed capital US\$112,247,803 實繳股本 112,247,803美元	100	100	Manufacturing and trading of containerboard and corrugated packaging 箱板紙及瓦楞包裝之製造及貿易	
HF Industrial (Philippines) Corporation 菲律賓披索	Philippines 菲律賓	Ordinary shares Philippines Pesos 200,000,000 普通股200,000,000 菲律賓披索	100	100	Operation not yet commenced 尚未開始營運	
Hop Fung Consultants Limited 合豐顧問有限公司	Hong Kong 香港	Ordinary shares HK\$2 普通股2港元	100	100	Provision of management service 提供管理服務	
Hop Fung Group Company Limited 英屬處女群島 (「英屬處女群島」)/ 香港	British Virgin Islands ("BVI")/Hong Kong	Ordinary shares US\$600 普通股600美元	100	100	Investment holding 投資控股	
Hop Fung International Enterprise Limited 合豐國際企業有限公司	Hong Kong 香港	Ordinary shares HK\$2 普通股2港元	100	100	Provision of accounting service 提供會計服務	
Wah Wang Paper Ware Limited 華運紙製品有限公司	Macau 澳門	Ordinary shares MOP100,000 普通股 100,000澳門幣	100	100	Trading of corrugated packaging and procurement of raw materials 瓦楞包裝之貿易及原材料之採購	

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截至二零二三年十二月三十一日止年度

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

37. 主要附屬公司資料 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立/ 營業地點	Issued and fully paid share capital/ contributed capital 已發行及繳足股本/ 實繳股本	Equity interest attributable to the Group		Principal activities 主要業務	
			At 31 December 於十二月三十一日			
			2023	2022		
			二零二三年	二零二二年		
			%	%		
東莞進益紙品有限公司 (note) (附註)	PRC 中國	Contributed capital HK\$23,000,000 實繳股本 23,000,000港元	100	100	Manufacturing and trading of corrugated packaging 瓦楞包裝之製造及貿易	
Hop Fung Paper Ware (Shenzhen) Company Limited (合豐紙品(深圳)有限公司) (note) 合豐紙品(深圳)有限公司(附註)	PRC 中國	Contributed capital HK\$25,000,000 實繳股本 25,000,000港元	100	100	Manufacturing and trading of corrugated packaging 瓦楞包裝之製造及貿易	

Note: Green Forest (QingXin) Paper Industrial Limited, 東莞進益紙品有限公司 and HFPW are wholly foreign-owned enterprises.

附註：森萊(清新)紙業有限公司、東莞進益紙品有限公司及合豐紙品(深圳)有限公司均為外商獨資企業。

Other than Hop Fung Group Company Limited, all subsidiaries are indirectly held by the Company.

除Hop Fung Group Company Limited外，所有附屬公司均由本公司間接持有。

None of the subsidiaries had any debt securities subsisting at 31 December 2023 and 31 December 2022 or at any time during both years.

於二零二三年十二月三十一日及二零二二年十二月三十一日或兩年內任何時間，各附屬公司均無任何存續的債務證券。

The above table lists the subsidiaries of the Group which, in the opinion of the Directors, principally affected the results and assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length. At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. These subsidiaries are operated in Hong Kong, Macau, Southeast Asia, BVI or PRC.

上表列出董事認為對本集團業績及資產有重要影響之本集團附屬公司。董事認為，將其他附屬公司詳情列出會導致篇幅過於冗長。於報告期末，本公司擁有對本集團而言不屬重大之其他附屬公司。該等附屬公司於香港、澳門、東南亞、英屬處女群島或中國營運。

FINANCIAL SUMMARY

財務概要

		Year ended 31 December 截至十二月三十一日止年度				
		2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2023 二零二三年 HK\$'000 千港元
RESULTS	業績					
Revenue	收益	1,194,082	1,040,369	755,603	424,411	224,357
Cost of sales	銷售成本	(1,078,828)	(912,500)	(1,127,114)	(417,014)	(210,429)
Gross profit (loss)	毛利(毛損)	115,254	127,869	(371,511)	7,397	13,928
Other income	其他收入	20,584	23,053	17,896	10,903	6,713
Other gains and losses	其他收益及虧損	(2,297)	4,052	12,793	(4,289)	4,541
(Impairment loss) net reversal of impairment loss under expected credit loss model	預期信貸虧損模式下的(減值虧損)減值虧損撥回淨額	(551)	-	1,817	151	(174)
Selling and distribution costs	銷售及分銷成本	(45,689)	(38,137)	(31,233)	(18,752)	(12,451)
Administrative expenses	行政開支	(83,662)	(80,104)	(77,477)	(90,471)	(47,042)
Other expenses	其他開支	(18,168)	(21,417)	(22,881)	(89,988)	(62,421)
Finance costs	財務成本	(6,189)	(8,813)	(8,440)	(6,188)	(3,555)
(Loss) profit before taxation	稅前(虧損)利潤	(20,718)	6,503	(479,036)	(191,237)	(100,461)
Income tax credit (expense)	所得稅抵免(開支)	12,799	(5,140)	56,249	(1,488)	(343)
(Loss) profit for the year, attributable to owners of the Company	本公司擁有人應佔年度(虧損)利潤	(7,919)	1,363	(422,787)	(192,725)	(100,804)
		At 31 December 於十二月三十一日				
		2019 二零一九年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2021 二零二一年 HK\$'000 千港元	2022 二零二二年 HK\$'000 千港元	2023 二零二三年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債					
Total assets	總資產	1,997,270	2,202,955	1,643,445	1,191,109	1,020,420
Total liabilities	總負債	(465,987)	(581,899)	(393,870)	(229,195)	(177,528)
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額	1,531,283	1,621,056	1,249,575	961,914	842,892



HOP FUNG GROUP

合豐集團控股有限公司

HOP FUNG GROUP HOLDINGS LIMITED