Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

CHINA SILVER TECHNOLOGY HOLDINGS LIMITED
中華銀科技控股有限公司

(formerly known as TC Orient Lighting Holdings Limited 達進東方照明控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 515)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

The board (the "**Board**") of directors (the "**Directors**") of China Silver Technology Holdings Limited (the "**Company**") is pleased to announce the audited consolidated annual results (the "**Annual Results**") of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2023 (the "**Year**") together with the comparative amounts for the corresponding year in 2022 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	**2023** **HK$'000**	2022 HK$'000
Turnover	4	**262,134**	260,179
Cost of sales		**(242,178)**	(241,903)
Gross profit		**19,956**	18,276
Other income	5	**9,188**	3,988
Other gains and losses, net	6	**6,695**	3,292
Selling and distribution expenses		**(15,119)**	(14,488)
Administrative expenses		**(36,878)**	(38,940)
Finance costs	7	**(17,638)**	(15,843)
Loss before tax		**(33,796)**	(43,715)
Income tax credit	8	**402**	–
Loss for the year	9	**(33,394)**	(43,715)

	Notes	**2023**	2022
		HK$'000	*HK$'000*
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
Surplus on revaluation of properties		**2,361**	1,072
Deferred taxation arising from revaluation of properties		**(590)**	(268)
		1,771	804
Items that may be subsequently reclassified to profit or loss			
Exchange differences arising on translation		**8,342**	4,859
Other comprehensive income for the year		**10,113**	5,663
Total comprehensive expense for the year		**(23,281)**	(38,052)
Loss for the year attributable to:			
Owners of the Company		**(31,043)**	(41,053)
Non-controlling interests		**(2,351)**	(2,662)
		(33,394)	(43,715)
Total comprehensive expense attributable to:			
Owners of the Company		**(21,890)**	(35,894)
Non-controlling interests		**(1,391)**	(2,158)
		(23,281)	(38,052)
Loss per share			
Basic and diluted *(in HK cents)*	*10*	**(4.64)**	(6.41)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
Non-current assets			
Property, plant and equipment		**515,322**	431,900
Right-of-use assets		**14,538**	15,153
		529,860	447,053
Current assets			
Inventories		**33,693**	46,266
Trade and other receivables	*12*	**86,834**	136,898
Pledged bank deposits		**40,714**	46,700
Bank balances, deposits and cash		**8,994**	28,463
		170,235	258,327
Current liabilities			
Trade and other payables	*13(a)*	**177,314**	141,819
Contract liabilities		**2,565**	375
Bills payables	*13(b)*	**119,444**	146,748
Taxation payables		**67,344**	65,737
Lease liabilities		**856**	773
Bank borrowings		**299,282**	311,291
		666,805	666,743
Net current liabilities		**(496,570)**	(408,416)
Total assets less current liabilities		**33,290**	38,637

	Notes	**2023** **HK$'000**	2022 *HK$'000*
Non-current liabilities			
Lease liabilities		**542**	1,398
Deferred taxation		**19,935**	18,445
Convertible bonds		**9,820**	–
		30,297	19,843
Net assets		**2,993**	18,794
Capital and reserves			
Share capital	*14*	**669**	334,708
Reserves		**64,652**	(254,977)
Equity attributable to owners of the Company		**65,321**	79,731
Non-controlling interests		**(62,328)**	(60,937)
Total equity		**2,993**	18,794

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. GENERAL

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 12 November 2004 and was registered as a non-Hong Kong Company under Part 16 of Hong Kong Companies Ordinance (Cap. 622) ("**new CO**"). Its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). China Silver Investments Development Ltd. is a shareholder of the Company who had reported its shareholding interest to the Company through the making of disclosure of interest filings during the year. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information to the annual report.

The Company acts as an investment holding company. The principal activities of its subsidiaries are the manufacture and trading of light emitting diode ("**LED**") lighting, and single-sided, doubled-sided and multi-layered printed circuit boards ("**PCB**").

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company and all values are rounded to nearest thousand except otherwise indicated.

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

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

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountant ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements.

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules
Amendments to HKAS1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

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

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

The Group has applied the amendments for the first time in the Year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies.

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund ("MPF") – Long Service Payment ("LSP") offsetting mechanism in Hong Kong

The Company and its subsidiary are operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee's accrued retirement benefits derived from employers' MPF contributions was allowed under the Employment Ordinance (Cap.57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**") which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset severance payment and LSP (the "**Abolition**"). The Abolition will officially take effect on 1 May 2025 (the "**Transition Date**"). In addition, under the Amendment Ordinance, the last month's salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

The Group considered the accrued benefits arising from employer MPF contributions that have been vested with the employee and which could be used to offset the employee's LSP benefits as a deemed contribution by the employee towards the LSP. Historically, the Group has been applying the practical expedient in paragraph 93(b) of HKAS 19 to account for the deemed employee contributions as a reduction of the service cost in the period in which the related service is rendered.

Based on the HKICPA's guidance, as a result of the Abolition, these contributions are no longer considered "linked solely to the employee's service in that period" since the mandatory employer MPF contributions after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, it would not be appropriate to view the contributions as "independent of the number of years of service" and the practical expedient in paragraph 93(b) of HKAS 19 is no longer applicable. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying paragraph 93(a) of HKAS 19.

Based on management's assessment, the change has had no material impact on the Group's financial positions and performance.

2.2 New and amendments to HKFRSs in issue but not yet effective

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

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

[1] Effective for annual periods beginning on or after a date to be determined.

[2] Effective for annual periods beginning on or after 1 January 2024

[3] Effective for annual periods beginning on or after 1 January 2025.

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

3. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION

Basis of Preparation

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

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

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

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, 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 or value in use in HKAS 36.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.

Going concern basis

The Group incurred a loss approximately HK$33,394,000 during the year ended 31 December 2023 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK$496,570,000. The current liabilities of the Group as at 31 December 2023 amounted to approximately HK$666,805,000 and included outstanding loans and borrowings that were repayable in the next twelve month after 31 December 2023 or were repayable on demand because they contain a repayment on demand clause. As at 31 December 2023, the current liabilities of the Group included: (i) construction costs payables of approximately HK$93,501,000 (the "**Construction Payables**"); (ii) secured loan included in other payables of approximately HK$22,222,000 (the "**Other Borrowing**"); (iii) bill payables of approximately HK$119,444,000; and (iv) bank borrowings of approximately HK$299,282,000; while the Group's total bank balances, deposits and cash amounted to approximately HK$49,708,000, of which approximately HK$40,714,000 were pledged bank deposits. In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group. The Directors adopted the going concern basis for the preparation of the consolidated financial statements after taking into consideration the implementation by the Group of the following measures in order to improve the working capital and liquidity and cash flow position of the Group:

1) Existing business

The management is endeavoring to improve the Group's operating results and cash flows through cost control measures and will focus on the existing business of the Group.

2) New rental business

The Group is currently engaged in negotiations with prospective long-term tenant in the People's Republic of China (PRC) for the rental of the Group's properties.

3) *Negotiating with creditors' new terms of Construction Payables*

The Group is negotiating with its construction payables creditors to extend the repayment dates for the Construction Payables.

4) *Negotiated with creditors' new terms of Other Borrowing*

Subsequent to 31 December 2023, the Group has been granted extended credit terms by its lenders for repayment of the Other Borrowing to be due after 31 March 2025.

5) *Alternative source of external funding*

On 22 February 2024, the Company has issued 133,883,000 new shares to subscribers with net proceeds of approximately HK$13.2 million. The Group is also actively considering to raise further new capital by undertaking more equity issues.

6) *Banking and necessary facilities*

The Group has classified bank borrowings amounting to approximately HK$144,698,000 with scheduled repayment dates that were more than 12 months from the end of the reporting period but contain a repayment on demand clause as current liabilities at 31 December 2023. Based on the latest communication with the banks and taking into account the security provided to the bank, the Directors are not aware of any intention of the banks to require early repayment of the borrowings. Moreover, the Group is in the process of negotiating with its bankers to secure necessary facilities to meet the Group's working capital and financial requirements in the near future.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any future 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.

4. TURNOVER

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

	2023	2022
	HK$'000	*HK$'000*
Disaggregation of revenue from contracts with customers		
An analysis of the Group's turnover is by types of goods as follows:		
Sales of printed circuit boards ("**PCB**")	**262,134**	253,167
Light Emitting Diode ("**LED**") lighting	**–**	7,012
Total revenue recognised at a point in time	**262,134**	260,179
Time of revenue recognition		
At a point in time	**262,134**	260,179
Geographic market:		
The PRC	**244,879**	229,396
Hong Kong	**5,457**	9,483
Others	**11,798**	21,300
	262,134	260,179

5. OTHER INCOME

	2023	2022
	HK$'000	*HK$'000*
Bank interest income	**1,067**	658
Imputed interest on trade receivables with extended credit terms	**–**	292
Sales of scrap materials	**4,005**	2,247
Government grants *(Note)*	**4,108**	791
Others	**8**	–
	9,188	3,988

Note: Government grants were mainly granted to the Group as subsidies to support the operation of the Hong Kong and PRC subsidiaries. During the year ended 31 December 2022, the Group recognised government grants of approximately HK$266,000 in respect of COVID-19 related subsidies which is related to Employment Support Scheme provided by the Hong Kong Government. For other government grants, there are no special conditions or contingencies that are needed to be fulfilled and they were non-recurring in nature.

6. OTHER GAINS AND LOSSES, NET

	2023	2022
	HK$'000	*HK$'000*
Net foreign exchange gain	**1,170**	1,890
Reversal of allowance for expected credit losses ("**ECL**") recognised on other receivables	**5,787**	3,975
Reversal of allowance for ECL recognised on trade receivables with normal credit terms	**463**	199
Provision of allowance for ECL recognised on trade receivables with extended credit terms	**(3,291)**	(247)
Gain/(loss) on disposal of property, plant and equipment	**2,566**	(297)
Impairment loss on right-of-use assets	**–**	(2,127)
Others	**–**	(101)
	6,695	3,292

7. FINANCE COSTS

	2023	2022
	HK$'000	*HK$'000*
Interest on:		
– Bank and other borrowings	**15,012**	15,727
– Convertible bonds	**2,440**	–
– Lease liabilities	**186**	116
	17,638	15,843

8. INCOME TAX CREDIT

	2023	2022
	HK$'000	*HK$'000*
The credit comprises:		
Current tax:		
PRC Enterprise Income Tax ("**EIT**")	**–**	–
Hong Kong Profits Tax	**–**	–
Deferred tax	**402**	–
	402	–

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong for both years.

Under the Law of the People's Republic of China on EIT (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

9. LOSS FOR THE YEAR

	2023	2022
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging:		
Employee expenses, including directors' and chief executive officer's remuneration *(Note)*	**25,821**	39,365
Equity-settled share-based payment *(Note)*	**1,162**	–
Retirement benefit schemes contributions *(Note)*	**2,247**	3,222
Total employee expenses	**29,230**	42,587
Auditors' remuneration – audit service	**1,900**	1,800
Cost of inventories recognised as an expense	**242,178**	241,903
Depreciation of property, plant and equipment	**10,367**	6,338
Research and development costs recognised as an expense	**–**	124
Depreciation of right-of-use assets	**615**	959
Expenses relating to short-term leases	**197**	206

Note: The total employee expenses were charged to cost of sales and administrative expenses with amount of HK$14,070,000 (2022: HK$21,520,000) and HK$15,160,000 (2022: HK$21,067,000) respectively.

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share for the year is based on the following data:

	2023	2022
	HK$'000	*HK$'000*
Loss		
Loss attributable to owners of the Company	**(31,043)**	(41,053)

	2023	2022
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for calculating basic loss per share	**669,415**	640,343

The basic and diluted loss per share are the same for the years ended 31 December 2023 and 2022. The calculation of the diluted loss per share for both years did not assume the exercise of the Company's outstanding share options and the conversion of convertible bonds as the effect is anti-dilutive.

11. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during 2023, nor has any dividend been proposed since the end of the reporting period (2022: Nil).

12. TRADE AND OTHER RECEIVABLES

	2023	2022
	HK$'000	*HK$'000*
Trade receivables with normal credit terms	**114,739**	139,548
Less: Allowance for ECL	**(84,521)**	(84,984)
	30,218	54,564
Trade receivables with extended credit terms	**40,212**	44,692
Less: Allowance for ECL	**(9,439)**	(6,148)
	30,773	38,544
Total trade receivables, net of allowance for ECL	**60,991**	93,108
Advances to suppliers	**12,138**	12,116
Value-added tax recoverable	**2,175**	1,155
	14,313	13,271
Other receivables	**11,530**	30,519
	25,843	43,790
Trade and other receivables shown under current assets	**86,834**	136,898

The Group generally allows an average credit period of 30 days to 180 days to its trade on PCB customers and tradings of towers and electric cable customers with normal credit terms and credit period ranging from one year to ten years to its trade on LED lighting customers with extended credit terms which is based on the contractual repayment schedule. The following is an aging analysis of trade receivables with normal credit terms and trade receivables with extended credit terms, net of allowance for ECL respectively, presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	Extended credit terms		Normal credit terms		Total	
	2023	2022	**2023**	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
0 – 30 days	**–**	–	**10,249**	19,317	**10,249**	19,317
31 – 60 days	**–**	–	**5,639**	10,161	**5,639**	10,161
61 – 90 days	**–**	–	**5,562**	7,614	**5,562**	7,614
91 – 180 days	**–**	–	**8,768**	13,654	**8,768**	13,654
Over 180 days	**30,773**	38,544	**–**	3,818	**30,773**	42,362
	30,773	38,544	**30,218**	54,564	**60,991**	93,108

13. TRADE, BILLS AND OTHER PAYABLES

(a) Trade and Other Payables

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

	2023	2022
	HK$'000	*HK$'000*
0 – 30 days	**4,486**	3,076
31 – 60 days	**9,392**	4,453
61 – 90 days	**3,694**	2,357
91 – 180 days	**7,229**	13,493
Over 180 days	**20,721**	35,511
Total trade payables	**45,522**	58,890
Other payables *(Note)*	**122,621**	70,289
Accrued salaries and other accrued charges	**9,171**	12,640
	177,314	141,819

The credit period on purchases of goods ranged from 90 days to 120 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

Note: As at 31 December 2023, the Group's other payables included secured loan from independent third party in the amount of approximately HK$22,222,000 (unsecured loan of 2022: HK$4,651,000), carrying interest at the rate of 24% (2022: 18%) per annum and repayable within one year. As at 31 December 2023, the secured loan was guaranteed by a director of the Company and an independent third party and secured by shareholders of the Company using the shares held by them. During the year ended 31 December 2023, HK$2,364,000 (2022: HK$1,647,000) interests were paid and recognised in the finance cost of consolidated statement of profit or loss and other comprehensive income.

(b) Bills Payables

The bills payables are non-interest-bearing and are normally settled on credit terms ranging from 180 days (2022: 180 to 365 days).

The aged analysis of bills payables based on issue date of the bill at the end of the reporting period is as follows:

	2023	2022
	HK$'000	*HK$'000*
0 – 30 days	**63,910**	4,916
31 – 60 days	**35,071**	–
61 – 90 days	**20,463**	860
91 – 180 days	**–**	21,646
Over 180 days	**–**	119,326
	119,444	146,748

14. SHARE CAPITAL

	Number of shares		**Amount**	
	2023	2022	**2023**	2022
	Number	*Number*		
	'000	*'000*	***HK$'000***	*HK$'000*
Authorised:				
Ordinary shares of HK$0.001 each (2022: Ordinary shares of HK$0.5 each)				
At 1 January	**2,400,000**	12,000,000	**1,200,000**	1,200,000
Effect of capital reorganisation *(Note (i))*	**1,197,600,000**	–	**–**	–
Share consolidation *(Note (iii))*	**–**	(9,600,000)	**–**	–
At 31 December	**1,200,000,000**	2,400,000	**1,200,000**	1,200,000
Issued and full paid:				
Ordinary shares of HK$0.001 each (2022: Ordinary shares of HK$0.5 each)				
At 1 January	**669,415**	2,789,237	**334,708**	278,924
Effect of capital reorganisation *(Note (i))*	**–**	–	**(334,039)**	–
Issue of shares under share subscription *(Note (ii))*	**–**	557,840	**–**	55,784
Share consolidation *(Note (iii))*	**–**	(2,677,662)	**–**	–
At 31 December	**669,415**	669,415	**669**	334,708

Note:

(i) On 17 January 2023, the Board implement a capital reorganisation of the issued share capital of the Company which comprises: (i) the Capital Reduction, involving the reduction of the issued share capital of the Company by cancelling the paid up capital to the extent of HK$0.499 on each of the issued existing shares such that the par value of each issued existing share has been reduced from HK$0.50 to HK$0.001; (ii) the share premium reduction, involving the reduction of the entire amount standing to the credit of the share premium account; (iii) the share sub-division, involving the sub-division of each of the authorised but unissued existing shares with par value of HK$0.50 each into 500 unissued new shares with par value of HK$0.001 each; and (iv) the credits arising from the capital reduction and the share premium reduction be applied towards offsetting the accumulated losses of the Company.

(ii) On 3 March 2022, an aggregate of 286,000,000 subscription shares were allotted and issued to the share subscribers at the subscription price of HK$0.10 per Subscription Share. The net proceeds from the subscriptions were used for repayment of the Group's debts and liabilities and general working capital purposes. On 12 May 2022, an aggregate of 271,840,000 subscription shares were allotted and issued to the share subscribers at the subscription price of HK$0.10 per Subscription Share. The net proceeds from the subscriptions were used for the construction cost of the factory and the repayment of the Group's debts and liabilities and general working capital purposes.

(iii) On 24 May 2022, the share consolidation became effective on the basis that every five issued and unissued existing shares of HK$0.10 each will be consolidated into one consolidated share of HK$0.50 each.

15. SEGMENTAL INFORMATION

The Group determines its operating segment based on the reports reviewed by directors of the Company who are the chief operating decision maker ("**CODM**") for making strategic decisions. The Group is engaged in the manufacturing and trading of PCB and the information reported to the CODM was analysed based on the three types of PCB which represent the operating segments of the Group.

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

- Manufacturing and trading of Single-sided PCB ("**Single-sided PCB**")
- Manufacturing and trading of Double-sided PCB ("**Double-sided PCB**")
- Manufacturing and trading of Multi-layered PCB ("**Multi-layered PCB**")

In addition to the above reportable segments, other operating segments include manufacturing and trading of LED lighting and trading of towers and electric cable which were being reported as separate segments in prior years. None of these segments met the quantitative thresholds for the reportable segments in both current and prior year. Accordingly, these were grouped in "Others". Prior year segment disclosures have been represented to conform with the current year's presentation.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Segment Turnover and Results

The following is an analysis of the Group's turnover and results by reportable and operating segment.

	2023	2022
	HK$'000	*HK$'000*
TURNOVER – external sales		
Single-sided PCB	**48,431**	29,811
Double-sided PCB	**207,350**	205,746
Multi-layered PCB	**6,353**	17,610
Others	**–**	7,012
Total	**262,134**	260,179
RESULTS		
Segment loss		
– Single-sided PCB	**(3,191)**	(2,566)
– Double-sided PCB	**(13,661)**	(17,712)
– Multi-layered PCB	**(419)**	(1,516)
– Others	**(4,965)**	(2,689)
	(22,236)	(24,483)
Other income, gain and loss, net	**14,706**	3,339
Central administrative costs	**(8,628)**	(6,728)
Finance costs	**(17,638)**	(15,843)
Loss before tax	**(33,796)**	(43,715)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss)/profit represents the loss incurred by each segment after allocation of selling and administrative staff cost with reference to turnover and without allocation of certain other income, central administrative costs (mainly including audit fee, exchange loss and depreciation of property, plant and equipment for administrative purpose) and finance costs. This is the measure reported to the Group's CODM for the purposes of resource allocation and performance assessment.

Other Segment Information

Amounts included in the measure of segment results:

	2023	2022
	HK$'000	*HK$'000*
Depreciation		
– Single-sided PCB	**1,915**	783
– Double-sided PCB	**8,200**	5,406
– Multi-layered PCB	**252**	463
	10,367	6,652
– Unallocated	**–**	645
	10,367	7,297
(Reversal of)/provision of allowance for ECL on trade and other receivables		
– Single-sided PCB	**(1,105)**	(438)
– Double-sided PCB	**(4,733)**	(3,021)
– Multi-layered PCB	**(145)**	(258)
– Others	**3,024**	(210)
	(2,959)	(3,927)

Geographical Information

Detailed below is information about the Group's turnover from external customers and information about its non-current assets (excluding trade receivables with extended credit terms), analysed by their geographical location: Group's operations are located in HK and the PRC.

	Turnover from external customers For the year ended 31 December		**Non-current assets As at 31 December**	
	2023	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Asia:				
HK	**5,457**	9,483	**1,129**	1,512
The PRC (excluding HK)	**244,879**	229,396	**528,731**	445,541
Other Asian countries and areas	**483**	2,618	**–**	–
Europe:				
Hungary	**1,272**	4,894	**–**	–
Turkiye (formerly known as Turkey)	**9,042**	10,863	**–**	–
Germany	**714**	1,598	**–**	–
Other European countries	**287**	1,327	**–**	–
	262,134	260,179	**529,860**	447,053

Information About Major Customers

No customer of the Group has individually contributed 10% or more of the Group during the years ended 31 December 2023 and 2022 and no major customer is presented accordingly.

EXTRACT OF THE AUDITORS' REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 December 2023:

DISCLAIMER OF OPINION

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

BASIS FOR DISCLAIMER OF OPINION

Material uncertainties relating to the going concern basis

As stated in Note 3 to the consolidated financial statements, the Group incurred a net loss of approximately HK$33,394,000 for the year ended 31 December 2023 and had net current liabilities of approximately HK$496,570,000 as at 31 December 2023. The current liabilities of the Group as at 31 December 2023 amounted to approximately HK$666,805,000 and included outstanding loans and borrowings that were repayable in the next twelve month after 31 December 2023 or were repayable on demand because they contain a repayment on demand clause. As at 31 December 2023, the current liabilities of the Group included: (i) construction costs payables of approximately HK$93,501,000 (the "**Construction Payables**"); (ii) secured loan included in other payables of approximately HK$22,222,000 (the "**Other Borrowing**"); (iii) bill payables of approximately HK$119,444,000; and (iv) bank borrowings of approximately HK$299,282,000; while the Group's total bank balances, deposits and cash amounted to approximately HK$49,708,000, of which approximately HK$40,714,000 were pledged bank deposits. These conditions, along with other matters as set forth in Note 3, indicate that material uncertainties exist that cast significant doubts on the Group's ability to continue as a going concern.

The Directors have assessed the Group's ability to continue as a going concern and are undertaking measures to improve the Group's liquidity and financial position and enable the Group to meet its liabilities as and when they fall due. These plans for future actions in relation to the going concern assessment, which are set out in Note 3 to the consolidated financial statements, include:

(i) The management is endeavoring to improve the Group's operating results and cash flows through cost control measures and will focus on the existing business of the Group.

(ii) The Group is currently engaged in negotiations with prospective long-term tenant in the People's Republic of China (PRC) for the rental of the Group's properties.

(iii) The Group is negotiating with its construction payables creditors to extend the repayment dates for the Construction Payables.

(iv) Subsequent to 31 December 2023, the Group has been granted extended credit terms by its lender for repayment of the Other Borrowing to be due after 31 March 2025.

(v) On 22 February 2024, the Company has issued 133,883,000 new shares to subscribers with net proceeds of approximately HK$13.2 million. The Group is also actively considering to raise further new capital by undertaking more equity issues.

(vi) The Group has classified bank borrowings amounting to approximately HK$144,698,000 with scheduled repayment dates that were more than 12 months from the end of the reporting period but contain a repayment on demand clause as current liabilities at 31 December 2023. Based on the latest communication with the banks and taking into account the security provided to the bank, the Directors are not aware of any intention of the banks to require early repayment of the borrowings. Moreover, the Group is in the process of negotiating with its bankers to secure necessary facilities to meet the Group's working capital and financial requirements in the near future.

The validity of the preparation of the consolidated financial statements on going concern basis depends on the successful eventual outcome of the above-mentioned plans and measures, which are inherently uncertain and as at the date of this report cannot be ascertained with reasonable certainty and are still subject to multiple uncertainties.

Should the Group fail to achieve successful outcomes from the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying amounts of the Group's assets to their net recoverable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

We have not been provided with sufficient appropriate audit evidence to conclude on the appropriateness of the management's use of the going concern basis of accounting in the preparation of the consolidated financial statements because of the lack of detailed analyses provided by management in relation to its plans and measures for future actions in its going concern assessment which take into account the uncertainty of outcome of these plans and measures and how variability in outcome would affect the future cash flows of the Group. Any adjustments found to be required may have consequential significant effects on the consolidated net assets of the Group as at 31 December 2023 and the consolidated loss and other comprehensive expense and cash flows of the Group for the year ended 31 December 2023, and the related elements and disclosures thereof presented or disclosed in the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the year 2023, the Group's revenue largely stayed at around the same level as 2022, as the decreases in purchase orders of multi-layered PCB and LED products were offset by the increase in purchase orders of single-sided PCB products. Geographically, the Group's revenue recorded decreases in Europe, Hong Kong and Asia, but were offset by a modest increase of revenue in the PRC. The Group will continue to adopt cost-savings and quality improvement measures, and strategic pricing policy and proactive marketing approach to attract more sales orders from both existing and potential customers.

BUSINESS REVIEW

The Group is principally engaged in manufacturing and trading of a broad range of LED lighting and PCBs including single-sided PCBs, double-sided PCBs and multi-layered PCBs (for up to 12 layers), and the trading of tower and electric cable. The breakdown of turnover based on products is summarised as follows:

	Year 2023		Year 2022		Increase/ (decrease)	Change in
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*
Single-sided PCB	**48,431**	**18.5%**	29,811	11.4%	18,620	62.5%
Double-sided PCB	**207,350**	**79.1%**	205,746	79.1%	1,604	0.8%
Multi-layered PCB	**6,353**	**2.4%**	17,610	6.8%	(11,257)	(63.9)%
LED	**–**	**0%**	7,012	2.7%	(7,012)	(100)%
	262,134	**100.0%**	260,179	100.0%	1,955	0.8%

Revenue from LED lighting business for the year ended 31 December 2023 was HK$nil (2022: HK$7,012,000).

The three categories of PCB products are mainly applied in consumer electronics, computers and computer peripherals, and communications equipment. During the Year, single-sided PCB and doubled-sided PCB's used for consumer electronics accounted for approximately 97.6% (2022: 90.5%) of the Group's turnover. High-end multi-layered PCBs accounted for 2.4% (2022: 6.8%) of the Group's turnover.

The Group's turnover by geographical regions is summarised as follows:

	Year 2023		Year 2022		Increase/ (decrease)	Change in
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*
Hong Kong	**5,457**	**2.1%**	9,483	3.6%	(4,026)	(42.5)%
The PRC (excluding Hong Kong)	**244,879**	**93.4%**	229,396	88.2%	15,483	6.7%
Asia (excluding Hong Kong and the PRC)	**483**	**0.2%**	2,618	1.0%	(2,135)	(81.6)%
Europe	**11,315**	**4.3%**	18,682	7.2%	(7,367)	(39.4)%
Others	**–**	**0%**	0	0%	–	–
	262,134	**100.0%**	260,179	100.0%	1,955	0.8%

During the Year, the Group's revenue largely stayed at around the same level as 2022, as the decreases in purchase orders of multi-layered PCB and LED products were offset by the increase in purchase orders of single-sided PCB products.

The Group has two PCB manufacturing plants both located at Zhongshan, Guangdong, the PRC, details of which are summarised as follows:

Production plant	**Location**	**Area**	**Products**	**Production capacity**	**Commencement of operations**
Plant 1	Zhongshan, Guangdong, the PRC	58,000 sq. m.	Single-sided PCBs	530,000 sq. ft. per month	May 2003
Plant 2	Zhongshan, Guangdong, the PRC	52,000 sq. m.	Double-sided and multi-layered PCBs	420,000 sq. ft. per month	October 2007

The Company is in the process of developing a new phase of production facilities to be constructed on the development site which is adjacent to the Group's existing plant, involving the construction of two buildings of factory and office uses, each not exceeding eleven floors above ground and one basement level with total gross floor area of 120,513.22 square meters. For further details, please refer to the Company's announcement dated 2 February 2021.

OUTLOOK

The Board considers that it is vital and necessary for the Group to dedicate more efforts on the research and development with the view to achieving product upgrade. The Group has paid high attention to develop high value-added PCB products, particularly the copper-based PCB engaged in clean and environmentally friendly applications.

Regarding the LED segment, the Group intends to focus on credit management and to optimize the trade receivable collection. The Group intends to pursue only after profitable projects with shorter receivable cycle.

FINANCIAL REVIEW

For the Year, the Group's turnover amounted to approximately HK$262.1 million (2022: HK$260.2 million), representing an increase of 0.75% as compared to the last year. The gross profit margin for the year of 2023 was 7.6% (2022: 7.0%). Loss attributable to shareholders amounted to approximately HK$31.0 million (2022: HK$41.1 million), representing a decrease of 24.6% as compared to last year, principally due to: (i) the increase in other income generated from government grants for the Hong Kong and PRC subsidiaries of the Group, gain in sales of scrap materials, and gain on disposal of property, plant and equipment; (ii) the slight increase in revenue mainly attributable to the slight increase in sales quantity of PCB products; and (iii) the decrease in administrative expenses.

Recognised equity-settled share-based payments

During the year ended 31 December 2023, the Group recognised equity-settled share-based payment of approximately HK$1.2 million (2022: HK$nil). No negative cash flow effect is made to the Group as a result of these equity-settled share-based payments.

Expected credit loss on trade receivables and other receivables

During the Year, the management performed an expected credit loss assessment on the trade receivables and other receivables, resulting in net amount reversal of HK$5.8 million (2022: Net amount reversal of HK$4 million) being recognised for the Group's LED lighting and PCB businesses.

THE IMPACT OF NOVEL CORONAVIRUS EPIDEMIC

The Group's production facilities are principally situated in Zhongshan city and Shenzhen city, both in Guangdong Province. Between January 2020 and November 2022, travel restrictions and other public health measures (the "**Public Health Measures**") were imposed in various areas in China in an attempt to contain the novel Coronavirus epidemic (the "**Epidemic**"), affecting the human resources of the Group, the supply chains of raw materials and product shipments and the general economic atmosphere whether in China and globally. The Epidemic has resulted in adverse impact on the business performance of the market.

During the Year, the Group has continued to implement cost-control measures and the exploration of opportunities to further develop its business and enhance its growth potential. In the meantime, the Group is striving for the highest caution standard to protect the health and safety of our staff.

Notwithstanding the lifting of COVID-19 related restrictions in China in December 2022, the economy did not rebound as quickly as originally expected, and the global economy, particularly the manufacturing sector, continued to be overshadowed by US federal rate hike, geopolitical tensions, new protectionism and technology war in semi-conductors. The Group will continue to adapt itself to overcome the challenges ahead, by the adoption of cost-savings and quality improvement measures, and strategic pricing policy and proactive marketing approach to attract more sales orders from both existing and potential customers.

FUND RAISING ACTIVITIES

The Company has conducted the following corporation actions, including the grant of share options and the issue of convertible securities for fund-raising purposes, in the year 2023.

Grant of Share Option

On 19 January 2023, the Board resolved to grant 54,300,000 share options to 60 Grantees, of which 17,400,000 options were granted to 11 directors and 36,900,000 options were granted to 49 employees of the Group. The exercise price of the options is HK$0.14 per share, being the higher of (i) the closing price of HK$0.140 per share as quoted in the Stock Exchange's daily quotation sheet on the date of grant; and (ii) HK$0.140 per share, being the average closing price as quoted in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant. The options granted shall vest as to 50% on 19 January 2024, being the first anniversary of the Date of Grant, and as to the remaining 50% on 19 January 2025, being the second anniversary of the Date of Grant. Subject to vesting, the options are exercisable until 19 January 2026. For details of the option grant, please refer to the Company's announcement dated 19 January 2023.

Issue of Convertible Bonds under General Mandate

On 15 February 2023, the Company and two independent subscribers, Union Insurance Limited and Ms. Wang Shuang, entered into two subscription agreements to subscribe for 3-year, 8% per annum convertible bonds (the "**Convertible Bonds**") in the aggregate principal amount of HK$15,262,320. Based on the initial conversion price of HK$0.114, an aggregate of 133,880,000 conversion shares will be allotted and issued by the Company upon the full exercise of the Convertible Bonds. The initial conversion price of HK$0.114 represents: (i) a premium of approximately 3.64% over the closing price of HK$0.110 per share as quoted on the Stock Exchange on the date of signing of the subscription agreements; and (ii) a premium of approximately 0.35% over the average closing price of HK$0.1136 per share as quoted on the Stock Exchange for the five trading days immediately prior to the date of signing of the subscription agreements. The net proceeds of approximately HK$15 million from the issue of the Convertible Bonds have been fully utilized as intended, as to over 60% for financing the ongoing construction of the New Phase Development of the Group's existing production plant in Zhongshan and as to the remaining sum for meeting the Group's liabilities and accruals when they fall due. The issue of the Convertible Bonds was completed on 3 March 2023. Further details of the subscriptions were set out in the Company's announcements dated 15 February 2023 and 3 March 2023.

Issue of New Shares under Specific Mandate

On 9 June 2023, the Company entered into subscription agreements (the "**Subscription Agreements**") with 5 subscribers pursuant to which the Company has conditionally agreed to allot and issue for an aggregate of 440,000,000 subscription shares (the "**Subscription Shares**") at the subscription price of HK$0.10 per Subscription Share. The 440,000,000 Subscription Shares represents approximately 65.73% of the share capital of the Company then currently in issue, and approximately 39.66% of the issued share capital of the Company as enlarged by the issue of 440,000,000 Subscription Shares. The subscription price of HK$0.10 per Subscription share represents: (i) a discount of approximately 4.76% to the closing price of HK$0.105 per share as quoted on the Stock Exchange on the date of the Subscription Agreements; and (ii) a discount of approximately 5.66% to the average closing price of approximately HK$0.106 per share as quoted on the Stock Exchange for the last five trading days of the shares immediately prior to the date of the Subscription Agreements. The gross and net proceeds from the Subscriptions were expected to be approximately HK$44 million and HK$41.5 million, respectively. The Company intended to use such net proceeds as to HK$35.5 million for the repayment of the Group's debts and liabilities when they fall due and as to HK$6 million for the Group's working capital (such as salaries, rental expenses, professional fees and office overheads). The Subscription Shares was intended to be allotted and issued under specific mandate, which was subject to the shareholders' approval at the EGM. Subsequently, the Subscriptions were voted down at the EGM held on 7 August 2023 and lapsed. Further details of the subscriptions and their lapse were set out in the Company's announcements dated 9 June 2023, 30 June 2023 and 7 August 2023.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 December 2023, the Group had total assets of approximately HK$700.1 million (2022: HK$705.4 million) and interest-bearing borrowings of approximately HK$321.5 million (2022: HK$315.9 million), representing a gearing ratio, defined as interest-bearing borrowings over total assets, of approximately 45.92% (2022: 44.8%).

The Group had net current liabilities of approximately HK$496.6 million (2022: HK$408.4 million) consisted of current assets of approximately HK$170.2 million (2022: HK$258.3 million) and current liabilities of approximately HK$666.8 million (2022: HK$666.7 million), representing a current ratio of approximately 0.26 (2022: 0.39).

As at 31 December 2023, the Group had cash and bank balances (including pledged bank deposits) of approximately HK$49.7 million (2022: HK$75.2 million). As at 31 December 2023, the Group had cash and bank balances (excluding pledged bank deposits) of approximately HK$9.0 million (2022: HK$28.5 million).

FOREIGN CURRENCY EXPOSURE

The Group operates in Hong Kong and the PRC with most of the transactions denominated and settled in Hong Kong dollars ("**HK$**") and Renminbi ("**RMB**"). However, foreign currencies, mainly United States Dollars ("**US$**") are required to settle the Group's expenses and additions on property, plant and equipment. There are also sales transactions denominated in US$ and RMB. The Group will use forward contracts to hedge its foreign currency exposure if it considers the risk to be significant.

DIVIDENDS

The Board has resolved not to recommend the payment of a final dividend (2022: Nil).

HUMAN RESOURCES

As at 31 December 2023, the Group employed a total of 328 employees (2022: 372), including 257 employees in its Zhongshan production site, 15 employees in its LED division, 30 employees in other business units in China and 26 employees in its Hong Kong office.

The Group's remuneration policy is reviewed regularly with reference to the legal framework, market conditions and the performance of the Group and individual staff. The remuneration policy and remuneration packages of the executive directors and members of the senior management are also reviewed by the remuneration committee. The Group may grant share options and discretionary bonuses to eligible employees based on the performance of the Group and individuals. Under the Group's remuneration policy, employees are rewarded in line with the market rate in compliance with statutory requirements of all jurisdictions where it operates. The Group holds regular training programmes and encourages staffs to attend training courses and seminars that are related directly or indirectly to the Group's business.

CORPORATE STRATEGY

The primary objective of the Company is to enhance long-term return for our shareholders. To achieve this objective, the Group's strategy is to place equal emphasis on achieving sustainable recurring earnings growth and maintaining the Group's strong financial profile. The Management Discussion and Analysis contain discussions and analysis of the Group's performance and the basis on which the Group generates or preserves value over the longer term and the basis on which the Group will execute its strategy for delivering the Group's objective.

CHARGE OF ASSETS

At the respective end of the reporting periods, the following assets were pledged to banks to secure general banking facilities granted to the Group:

	2023	2022
	HK$'000	*HK$'000*
Buildings	**126,512**	126,705
Construction in progress	**259,989**	239,365
Pledged bank deposits	**40,714**	46,700
Right-of-use assets	**14,538**	15,153
	441,753	427,923

CAPITAL COMMITMENT

As the year end date, the Group had capital commitments so far as not provided for in the consolidated financial statements, as follows:

	2023	2022
	HK$'000	*HK$'000*
(a) Capital Commitments in respect of property, plant and equipment	**–**	32,085
(b) The Group's share of capital commitments of joint ventures	**5,667**	–
	5,667	32,085

LITIGATIONS

(a) Under Hong Kong High Court Action No. 1228/2016 (the "**Legal Action**"), Mr. Li Jian Chao ("**Mr. Li**"), ex-director and ex-officer of the Company, sought to claim from the Company an alleged outstanding special bonus payment in the amount of HK$1,640,000. The Company denied the alleged entitlement claimed by Mr. Li and counterclaimed (the "**Counterclaim**") against Mr. Li for HK$5,240,000 being wrongful receipts by Mr. Li on the ground of the Company's view that the purported resolutions regarding alleged bonus payment were invalid, and/or damages for breach of fiduciary duties by Mr. Li. Further details relating to the Legal Action and Counterclaim are more particularly set out in the Company's announcements dated 13 May and 14 July 2016. The trial was heard by the Court in October 2021, and the judgment dated 3 August 2022 was handed down. The Court ordered that Mr. Li's action be dismissed, the resolutions be declared invalid on the Company's counterclaim, and Mr. Li shall pay back to the Company HK$5,240,000 plus interest and costs on the claim and counterclaim. The Company has instructed its legal adviser to enforce the judgment, but was advised that the chance of successful recovery is remote.

(b) During the Year, the Company's operating subsidiaries in the PRC were involved in various litigations as defendants due to disputes in ordinary businesses with suppliers, contractors and ex-employees, including claims which were already settled during or subsequent to the Year except that claims in the aggregate amount of RMB38.5 million were either still undergoing legal processes or agreed to be extended but remained unpaid, for which full recognition of trade, construction and other payables were already made by way of prudent measure. Certain outstanding claims as at 31 December 2023 were accompanied by asset-preservation orders imposed on bank accounts of our PRC subsidiaries for the total amounts of approximately HK$5,076,000 (RMB4,568,000), as at 31 December 2023. The Group has instructed its PRC legal advisers to uphold its rights in any outstanding litigations.

OTHER INFORMATION

Discloseable Transactions on 7 July 2023

On 7 July 2023, Guangdong Tat Chun Electronic Technology Co., Ltd., a 100%-owned subsidiary of the Company (the "**Listco Subsidiary**"), entered into a JV agreement with Shunde District Foshan City Finenet Printed Circuit Board Co. Ltd.（佛山市順德區匯達電路板有限公司）(the "**JV Partner**"), an independent third party, in relation to the joint establishment, investment and management in the JV company named Zhongshan Tat Chun Huiying Electronics Co., Ltd.（中山市達進匯盈電子有限公司）(the "**JV Company**"), for the purposes of engaging in the JV project in the PRC. The JV project aims to improve production efficiency and reduce production cost on PCB products. Pursuant to the JV agreement, the JV company shall have a registered capital of RMB10 million upon establishment which shall be contributed as to 51% (RMB5.1 million) by Listco Subsidiary and 49% (RMB4.9 million) by JV Partner. Further details of the transactions were set out in the Company's announcement dated 7 July 2023.

Capital Reorganisation

On 3 August 2022, the Board proposed to implement a capital reorganisation of the issued share capital of the Company (the "**Capital Reorganisation**"), which comprises: (i) the Capital Reduction, involving the reduction of the issued share capital of the Company by cancelling the paid up capital to the extent of HK$0.499 on each of the issued Existing Shares such that the par value of each issued Existing Share will be reduced from HK$0.50 to HK$0.001; (ii) the Share Premium Reduction, involving the reduction of the entire amount standing to the credit of the Share Premium Account, simultaneously with the Capital Reduction becoming effective; (iii) the Share Sub-division, involving the sub-division of each of the authorised but unissued Existing Shares with par value of HK$0.50 each into 500 unissued New Shares with par value of HK$0.001 each, immediately following the Capital Reduction becoming effective; and (iv) the credits arising from the Capital Reduction and the Share Premium Reduction be applied towards offsetting the accumulated losses of the Company as at the Effective Date and the balance of any such credit remaining after offsetting the accumulated losses be transferred to a distributable reserve account of the Company which may be applied by the Company in any manner as permitted under the applicable laws and the memorandum and articles of association of the Company. The resolutions regarding the Capital Reorganisation were approved at an extraordinary general meeting held on 30 September 2022. On 16 January 2023, an order granted by the Grand Court of the Cayman Islands (the "**Court**") confirming the Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Act of the Cayman Islands with respect to the Capital Reduction were filed and duly registered with the Registrar of Companies in the Cayman Islands. Following the satisfaction of all the conditions precedent to the Capital Reorganisation, the Capital Reorganisation became effective on 17 January 2023. Details of the Capital Reorganisation were disclosed in the Company's announcements dated 3 August 2022, 2 September 2022, 30 September 2022, 11 November 2022 and 17 January 2023 the Company's circular dated 5 September 2022.

Proposed Development of the New Phase of Development Site in Zhongshan

As disclosed in the Company's announcement dated 2 February 2021, the Company is implementing the construction of the new phase of production facilities, involving two buildings of factory and office uses at the development site ("**Development Site**") at Gaoping Boulevard, Sanjiao Town, Zhongshan City, Guangdong Province, the PRC which is adjacent to the Group's existing production plant.

The Development Site is a transferred land of industrial use with total site area of 65,999.7 square meters, with land use right of 50 years running from 1998 to 2048 being granted to the Company's indirect wholly-owned subsidiary, 中山市達進電子有限公司 (Zhongshan Tat Chun Electronics Co., Ltd.*) ("**Zhongshan TC**"). Due to the changes in the town planning and in support of the development of the Group as a quality industrial enterprise above designated size in accordance with the Government policy of delegation and streamlining of administrative functions, the maximum plot ratio permitted for the construction of buildings on the Development Site was increased from 1.5 times to 3.5 times (the "**Plot Ratio Relaxation**"). In response to that, the Group submitted building plans on the proposed development to the Government containing its proposal to construct the new phase of production facilities to be constructed on the Development Site with total gross floor area of 120,513.22 square meters and comprising two buildings of factory and office uses, each not exceeding eleven floors above ground and one basement level. The building plans regarding the proposed development has now been approved by the Government. Based on the current design of building plans, the total construction cost for the proposed development is estimated to be RMB270 million, which is expected to be financed by the Group's internal resources, external borrowings and equity fundraisings.

As disclosed in the Company's announcement dated 9 January 2023, Zhongshan TC entered into two project agreements with the People's Government of Sanjiao Town (the "**Town Government**") in relation to Project A and Project B (as mentioned below, collectively the "**Projects**"), i.e. the possible investment by the Group of Phase 3 Development at the Group's development site in Sanjiao Town, Zhongshan City. The Company emphasizes that given we are still in the process of Phase 2 Development, Phase 3 Development is only at an early planning stage and would only be commenced if it is in the best interests of the Group to do so, say, when the then-existing production facilities are close to full utilization, and there is sufficient funding available to the Group to complete the Projects. Further announcement(s) will be made by the Company if and when there is any significant development of the Projects which may trigger any disclosure obligations under the Listing Rules.

Project A

Project A involves the possible investment by the Group to construct new factory and ancillary premises with gross floor area of approximately 151,875.44 sq.m., at a site of industrial use which is situated at No. 98, Gaoping Boulevard, Sanjiao Town, Zhongshan City, Guangdong Province, the PRC, having a total site area of 65,999.7 square meters, with its land use right running until July and August 2048. Subject to the obtaining of building permit, the Group is expected to invest, or procure the investment of, RMB349,320,000 on the construction of Project A within specified time limit. Project A is expected to achieve an annual tax payment level of RMB26.68 million for at least one year during the performance supervision period of approximately 8 years commencing on the date of building permit.

Project B

Project B involves the possible investment by the Group to construct new factory and ancillary premises with gross floor area of approximately 248,333.45 sq.m., at a site of industrial use which is situated at No. 91, Gaoping Boulevard, Sanjiao Town, Zhongshan City, Guangdong Province, the PRC, having a total site area of 66,666.7 square meters, with its land use right running until September 2048. Subject to the obtaining of building permit, the Group is expected to invest, or procure the investment of, RMB571,170,000 on the construction of Project B within specified time limit. Project B is expected to achieve an annual tax payment level of RMB40 million for at least one year during the performance supervision period of approximately 8 years commencing on the date of building permit.

Information About Major Customers

During the Year, the five largest suppliers accounted for less than 30% of the Group's total purchases, and the five largest customers account for less than 30% of the Group's total revenue from sales.

Adoption of the amended and restated memorandum of association and articles of association

On 30 June 2023, the Company passed the special resolution to adopt the amended and restated memorandum and articles of association of the Company (the "**New M&A**"). The New M&A aims to, among others: (i) bring the memorandum and articles of association of the Company in line with the latest legal and regulatory requirements including the Core Shareholder Protection Standards as set out in Appendix A1 to the Listing Rules; (ii) introduce the procedures regarding the conduct of hybrid and electronic meetings; and (iii) make other consequential and housekeeping amendments.

SUBSEQUENT EVENTS

Subscriptions of New Shares Under General Mandate

On 31 January 2024, the Company and the Subscribers entered into the Subscription Agreements pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have agreed to subscribe for, an aggregate of 133,883,000 Subscription Shares at the Subscription Price of HK$0.10 per Subscription Share. The 133,883,000 Subscription Shares represents: (i) approximately 20.00% of the existing issued share capital of the Company; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the issue of 133,883,000 Subscription Shares. The gross and net proceeds from the Subscriptions are expected to be approximately HK$13.4 million and HK$13.2 million, respectively. It is intended that the net proceeds from the Subscriptions will be used by the Company as to approximately HK$11.2 million for the repayment of the Group's debts and liabilities when they fall due, and as to HK$2 million for the Group's working capital (such as salaries, rental payments, professional fees and office overheads).

The completion of the Subscriptions took place on 22 February 2024, whereby 133,883,000 Subscriptions Shares were allotted and issued to the Subscribers at the Subscription Price of HK$0.10 per Subscription Share.

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

During the Year, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of its own listed securities.

CHANGES OF DIRECTORS' INFORMATION

During the year under review and up to the date of this announcement, the following changes in Directors' information are disclosed pursuant to Rule 13.51B of the Listing Rules:

Mr. Bonathan Wai Ka Cheung resigned as a non-executive director of International Genius Company (formerly known as Amber Hill Financial Holdings Limited), a company listed on the Stock Exchange with stock code: 33, with effect from 10 April 2023.

Mr. Loke Yu (alias Loke Hoi Lam) resigned as an independent non-executive Director, the chairman of the audit committee and the compliance committee, and a member of the remuneration committee and nomination committee of the Company with effect from 30 November 2023.

Ms. Po In San was appointed as an independent non-executive Director, the chairman of the audit committee and the compliance committee, and a member of the remuneration committee and the nomination committee of the Company, with effect from 28 February 2024.

CORPORATE GOVERNANCE PRACTICES

The Board of the Company recognises the importance of corporate governance practice of a listed company and is committed to adopting the standards of corporate governance. It is in the interest of the stakeholders and shareholders for a listed company to operate in a transparent manner with the adoptions of various self-regulatory policies, procedures and monitoring mechanisms with a clear definition of accountability of directors and management.

The Company and the Directors confirm, to the best of their knowledge, that the Company complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") as stated in Appendix C1 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") throughout the Year except for the following:

(i) Under Code Provision D.1.2, management should provide all members of the Board with monthly updates on the issuer's performance, position and prospects, which may include monthly management accounts and material variance between projections and actual results. During the Year, although management accounts were not circulated to Board members on monthly basis, regular verbal updates were given by management to Directors on working level meetings from time to time, which the management and the Board consider to be sufficient and appropriate in the circumstances in giving a balanced and understandable assessment of the Group's performance and enabling Directors to discharge their duties.

(ii) Under Code Provision C.5.1, the Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. Under Code Provision C.5.3, notice of at least 14 days should be given of a regular board meeting to give all directors an opportunity to attend and for all other board meeting, reasonable notice should be given. Under Code Provision C.5.8, agenda and board papers should be sent to all directors at least 3 days before the intended date of board or committee meetings. The Board does not distinguish between regular or special board meetings and normally meet more than 4 times a year and more frequently than once per quarter. The Board will normally hold board meetings during the 1st and 3rd quarter of a calendar year to consider the Company's annual and interim results, and there are normally other corporate actions or matters occurring in the 2nd and 4th quarter calling for the need of holding board meetings. All Board meetings are chaired by the Chairman, being a non-executive Directors, who provides an open atmosphere encouraging free discussions and asking of questions, including an "any other business" session during which directors are invited to add new agenda. In addition, all directors are invited to have separate and independent access to the Chairman or the management at any time outside board meetings, during which business updates are provided, questions asked and answers promptly provided. The Company uses electronic communication methods to call and hold board meetings and to circulate meeting agenda and board papers, and can achieve a high attendance rate by, and quick responses from, directors, especially non-executive directors, by reasonable notice shorter than those specified in the relevant provisions of the CG Code.

The Board and the compliance committee shall continue to monitor and review the Company's corporate governance practices to ensure compliance of the CG Code.

Non-compliance and re-compliance of the Listing Rules

On 30 November 2023, Dr. Loke Yu (alias Loke Hoi Lam)("**Dr. Loke**"), an independent non-executive Director ("**INED**"), resigned as an INED, the chairman of the audit committee and the compliance committee, and a member of the remuneration committee and nomination committee of the Company. As a result of Dr. Loke's resignation, (i) the Board does not have at least one INED having appropriate professional qualifications or accounting or related financial management expertise (the "**INED with Financial Qualification**") as required under Rule 3.10(2) of the Listing Rules; (ii) the ratio of the number of INEDs has fallen short of the minimum one-third of the Board as required under Rule 3.10A of the Listing Rules; and (iii) the audit committee of the Company does not have at least one INED with Financial Qualification as required under Rule 3.21 of the Listing Rules.

On 28 February 2024, Ms. Po In San ("**Ms. Po**") was appointed as an INED, the chairman of the audit committee and the compliance committee, and a member of the remuneration committee and the nomination committee of the Company. Ms. Po has appropriate professional qualifications or accounting or related financial management expertise. Following the appointment of Ms. Po as an INED and the chairman of the audit committee of the Company, the Company has met the minimum one-third requirement for INEDs and re-complied with Rules 3.10(2), 3.10A and 3.21 of the Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Company follows the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Listing Rules (the "**Model Code**") as the code of conduct for Directors in their dealings in the Company's securities and each of the incumbent directors confirmed that he/she has complied with the Model Code during the year ended 31 December 2023.

AUDIT COMMITTEE

The Audit Committee of the Company ("**AC**") comprises of four INEDs, namely, Ms. Qiu Yumei, Mr. Wong Kwok On and Mr. Bonathan Wai Ka Cheung and Dr. Loke Yu (alias Loke Hoi Lam) prior to 30 November 2023, but only three INEDs after that day. Dr. Loke was the chairman of the AC prior to his resignation on 30 November 2023. On 28 February 2024, Ms. Po In San was appointed as an INED and the chairman of the AC. Dr. Loke and Ms. Po were the AC members and INEDs with Financial Qualification as required by the Listing Rules.

No former partner of the Company's existing auditing firm acted as a member of the AC within two years from ceasing to be a partner or having any financial interest in the auditing firm.

The AC was delegated with the authority of the Board of the Company to investigate any activity within its terms of reference. The primary function of the AC is to review and supervise the Group's financial reporting process and compliance procedures and review the internal control system with the external auditors. The AC has also reviewed arrangements to enable employees of the Group to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters, and to ensure proper arrangements that in place for fair and independent investigation and follow up actions. The full terms of reference of the AC are available on the Company's website: www.csthltd.com and the website of the Stock Exchange: www.hkexnews.hk.

The Group's audited financial statements for the year ended 31 December 2023 has been reviewed by the AC, which is of the opinion that such statements comply with applicable accounting standards, the Listing Rules and other legal requirements, and that adequate disclosures have been made.

SCOPE OF WORK OF AUDITORS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This Audited Annual Results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (http://www.hkex.com.hk) and the Company. The 2023 annual report of the Company containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company on or before 30 April 2024. The Company will give further notice on the proposed date of the forthcoming annual general meeting of the Company (the "**AGM**") and the book closure period for the purpose of ascertaining shareholders' eligibility to attend and vote at the AGM.

APPRECIATION

Looking into the future, the Board and the management team will continue to adopt measures to improve the Group's existing business and explore opportunities to create value for the Company and its shareholders. On behalf of the Board, I would like to express our sincere thanks to our colleagues for their efforts and commitment and to our shareholders and investors for their continual support.

By order of the Board
China Silver Technology Holdings Limited
Lai Yubin
Chairman

Hong Kong, 28 March 2024

As at the date hereof, the Board comprises Mr. Kong Chan Fai (Vice-Chairman), Mr. Xu Ming (Chief Executive Officer), Mr. Zeng Yongguang, Mr. Guo Jun Hao and Ms. Liang Jiaxin as executive Directors; Mr. Lai Yubin (Chairman) and Mr. Wei Xiaomin as non-executive Directors; and Mr. Wong Kwok On, Mr. Bonathan Wai Ka Cheung, Ms. Qiu Yumei and Ms. Po In San as independent non-executive Directors.