



BEST LINKING GROUP HOLDINGS LIMITED

永聯豐集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 8617



ANNUAL REPORT 年報

2021

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香港聯合交易所有限公司(「聯交所」) GEM 的特色

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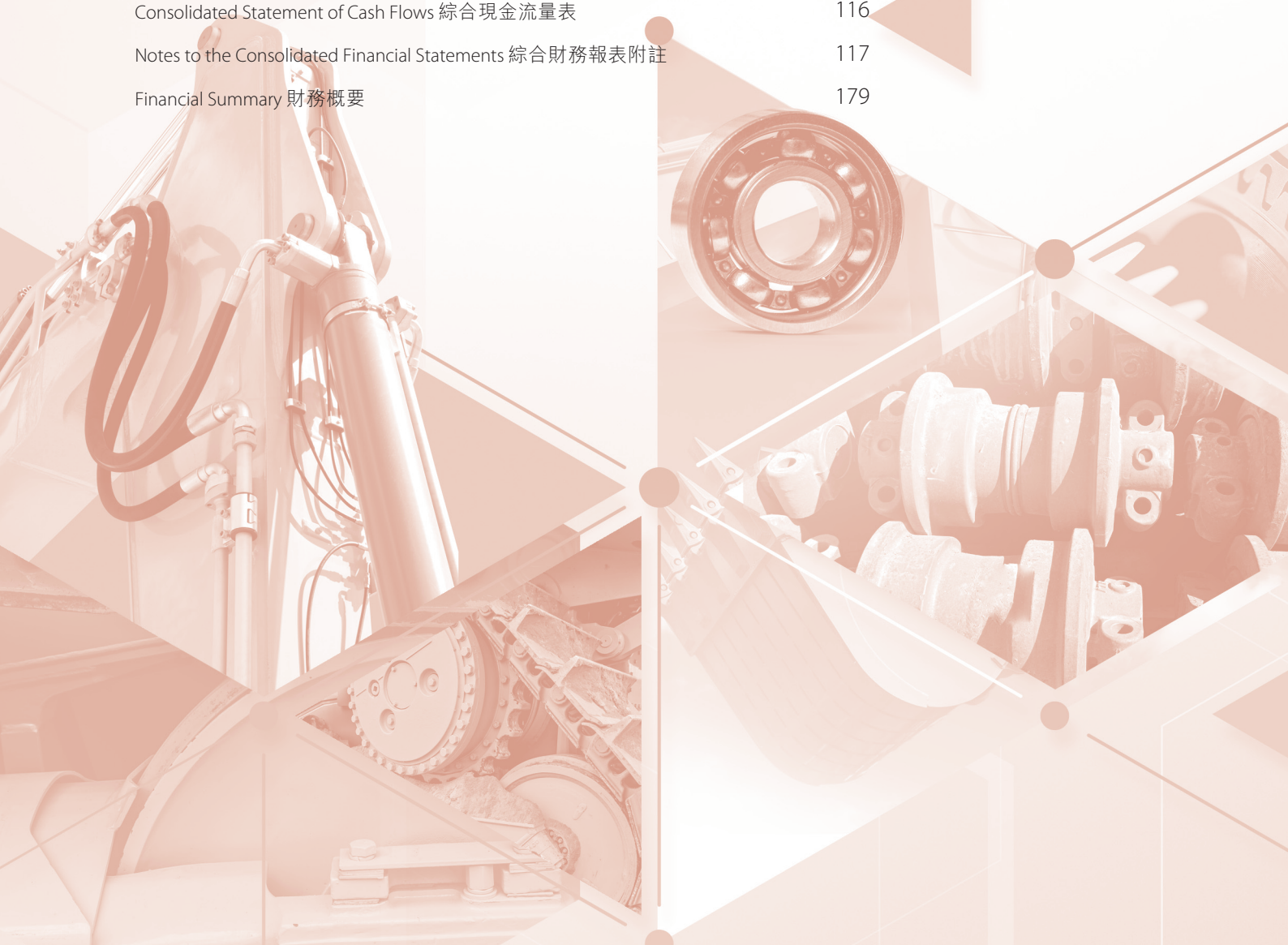
由於 GEM 上市公司普遍為中小型公司，在 GEM 買賣的證券可能會較於聯交所主板買賣之證券承受較大的市場波動風險，同時無法保證在 GEM 買賣的證券會有高流通量的市場。

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Yuk Pan (*Chairman and Chief Executive Officer*)

Mr. Chan Lung Pan

Independent Non-Executive Directors

Mr. Chan Wan Tsun Adrian Alan

Ms. Tsang Hau Lam

Ms. Tam Ho Ting

AUDIT COMMITTEE

Mr. Chan Wan Tsun Adrian Alan (*Chairman*)

Ms. Tam Ho Ting

Ms. Tsang Hau Lam

REMUNERATION COMMITTEE

Ms. Tam Ho Ting (*Chairman*)

Mr. Chan Lung Pan

Ms. Tsang Hau Lam

NOMINATION COMMITTEE

Mr. Chan Yuk Pan (*Chairman*)

Mr. Chan Wan Tsun Adrian Alan

Ms. Tam Ho Ting

REGISTERED OFFICE

Cricket Square Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

COMPANY SECRETARY

Mr. Chan Ho Chee Gilbert (CPAA)

AUTHORISED REPRESENTATIVES

Mr. Chan Yuk Pan

Mr. Chan Ho Chee Gilbert

COMPLIANCE OFFICER

Mr. Chan Yuk Pan

董事會

執行董事

陳煜彬先生 (*主席兼行政總裁*)

陳龍彬先生

獨立非執行董事

陳弘俊先生

曾巧臨女士

譚可婷女士

審計委員會

陳弘俊先生 (*主席*)

譚可婷女士

曾巧臨女士

薪酬委員會

譚可婷女士 (*主席*)

陳龍彬先生

曾巧臨女士

提名委員會

陳煜彬先生 (*主席*)

陳弘俊先生

譚可婷女士

註冊辦事處

Cricket Square Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

公司秘書

陳浩賜先生 (CPAA)

授權代表

陳煜彬先生

陳浩賜先生

合規主任

陳煜彬先生

Corporate Information

公司資料

COMPLIANCE ADVISER

LY Capital Limited
Room 1404A, Kai Tak Commercial Building
317 Des Voeux Road Central
Sheung Wan
Hong Kong

LEGAL ADVISER AS TO HONG KONG LAW

Robertsons
57th Floor, The Center
99 Queen's Road Central
Hong Kong

AUDITOR

Pricewaterhouse Coopers
Certified Public Accountants
22nd Floor, Prince's Building
Central
Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1226B, 12/F
Star House
No. 3 Salisbury Road
Kowloon
Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 6 Gongye 2nd Cross Road
Tutang 2nd Industrial Zone
Changping
Dongguan
Guangdong
China

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

合規顧問

絡繹資本有限公司
香港
上環
德輔道中 317 號
啟德商業大廈 1404A 室

法律顧問(有關香港法律)

羅拔臣律師事務所
香港
皇后大道中 99 號
中環中心 57 樓

核數師

羅兵咸永道會計師事務所
執業會計師
香港
中環
太子大廈 22 樓

香港總部及主要營業地點

香港
九龍
梳士巴利道 3 號
星光行
12 樓 1226B 室

中國總部及主要營業地點

中國
廣東省
東莞市
常平鎮
土塘工業二區
工業二橫路 6 號

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東 183 號
合和中心 54 樓

Corporate Information

公司資料

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Ltd
Hang Seng Bank Limited
China Construction Bank, Dongguan Branch, Changping Sub-branch

COMPANY WEBSITE

www.blg.hk

STOCK CODE

08617

開曼群島股份過戶登記總處

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

主要往來銀行

星展銀行(香港)有限公司
恒生銀行有限公司
中國建設銀行東莞市分行常平支行

公司網站

www.blg.hk

股份代號

08617

Financial Highlights

財務摘要

FOR THE YEAR

Highlights of consolidated statements of comprehensive income

年內

綜合全面收益表摘要

		FY2021	FY2020
		二零二一	二零二零
		財政年度	財政年度
		HK\$'000	HK\$'000
		千港元	千港元
Revenue	收益	132,250	69,499
Gross profit	毛利	54,510	26,137
Profit before taxation	除稅前溢利	41,866	16,252
Profit for the year	年內溢利	35,086	13,644
Total comprehensive income for the year	年內全面收益總額	36,457	16,676

Financial Highlights

財務摘要

AT YEAR END

年末

Highlights of consolidated statements of financial positions

綜合財務狀況表摘要

		FY2021	FY2020
		二零二一	二零二零
		財政年度	財政年度
		HK\$'000	HK\$'000
		千港元	千港元
Non-current assets	非流動資產	19,045	12,846
Current assets	流動資產	125,155	94,741
Current liabilities	流動負債	(14,669)	(6,434)
Net current assets	流動資產淨額	110,486	88,307
Net assets	資產淨額	129,531	101,074

Revenue

收益

For the year ended 31 December					
截至十二月三十一日止年度					
		2021		2020	
		二零二一年		二零二零年	
		HK\$'000	%	HK\$'000	%
		千港元	%	千港元	%
Slewing rings	迴轉支承				
— ODM	— ODM	34,473	26.1	25,972	37.4
— OEM	— OEM	525	0.4	421	0.6
— OBM	— OBM	1,477	1.1	3,534	5.1
— Others rings	— 其他支承	22,481	17.0	5,033	7.2
		58,956	44.6	34,960	50.3
Machineries and other parts	其他機械及部件				
— Other machineries	— 其他機械	39,127	29.6	17,220	24.8
— Other parts	— 其他部件	34,167	25.8	17,319	24.9
		73,294	55.4	34,539	49.7
		132,250	100.0	69,499	100.0

Note: Other rings mainly include revenue derived from the sales of slewing rings that we do not currently produce.

附件：其他支承主要包括來自銷售我們現時並無生產的迴轉支承的收益。

About Us 關於我們

Best Linking Group Holdings Limited (the “**Company**”), together with its subsidiaries, (the “**Group**”), is a premium manufacturer of slewing rings and other mechanical parts, and an “one-stop service” provider as it is able to source other slewing rings, machineries and mechanical parts and components for machineries of its customers. We manufacture slewing rings that conform to applicable Japanese Industrial Standards (JIS), which has higher quality control requirements than that produced in many other countries in the world. Since 2020, the Group has developed new products and a wider range of servicing by manufacturing other mechanical parts and components for machineries besides slewing rings. Most machineries and parts supplied by the leading suppliers in Japan were fit for the Group’s sourcing needs and with specifications not commonly supplied by other market suppliers. Our principal subsidiaries include Best Linking Limited (“**Best linking**”), Wing Fung Machinery Company Limited (“**Wing Fung**”) and Kyoei Seiki Co., Limited (“**Kyoei Seiki**”).

Our Group’s business commenced in 2007 when Mr. Chan Yuk Pan, the executive Director, chief executive officer and chairman of our Board, and the Controlling Shareholder of our Group, utilised the internal resources of Wing Fung, the investment holding company of Kyoei Seiki, a company incorporated in Hong Kong in November 2005, to establish Kyoei Seiki in September 2007. Since 2012, Best Linking commenced distribution of slewing rings manufactured by Kyoei Seiki and sourcing of other products for our customers.

We have expanded our customer base significantly since our commencement of business. In 2010, impressed by our products, a listed company on the Singapore Exchange, which was principally engaged in the trading of heavy machinery and diesel engine parts, and a leading machinery and parts supply company in Japan became our customer and entered into business relationship with us ever since. From 2011 to 2015, three Japanese equipment manufacturers also became our regular original equipment manufacturing (“**OEM**”) customers.

The Company is an exempted company incorporated in the Cayman Islands with limited liability on 26 October 2018. On 15 November 2019 (the “**Listing Date**”), the shares of the Company were successfully listed on GEM of The Stock Exchange of Hong Kong Limited by way of the offering of 100,000,000 new shares (the “**Share Offer**”) (the “**Listing**”).

As our business continued to grow with continuous successes in global sales and further reinforcement of the Group’s brand recognition and awareness following the Listing, the Group is positioned as one of the fastest growing “one-stop service” providers in the field of slewing rings and other mechanical parts. The Group will continue its effort to promote its brand as well as to provide quality products and seize business opportunities in various regions.

永聯豐集團控股有限公司(「**本公司**」)連同其附屬公司(「**本集團**」)為優質迴轉支承和其他機械機件製造商及「一站式服務」供應商，因為我們能夠為客戶採購其他迴轉支承、機械及機械的機件及部件。我們製造的迴轉支承符合適用日本工業標準，而該標準對生產迴轉支承的品質監控要求較世界很多其他國家更為嚴格。自二零二零年起，本集團一直開發新產品和提供更廣泛的服務，除迴轉支承外，亦製造機械的其他機件及部件。日本頂尖供應商提供的大部份機械及部件符合本集團採購所需，市場上鮮有其他供應商提供有關規格的機械及部件。我們的主要附屬公司包括永聯豐有限公司(「**永聯豐**」)、榮豐機械有限公司(「**榮豐**」)及東莞共榮精密機械有限公司(「**共榮精密機械**」)。

本集團業務始於二零零七年，當時本集團執行董事、行政總裁及董事會主席及控股股東陳煜彬先生在二零零七年九月利用榮豐(共榮精密機械的投資控股公司，於二零零五年十一月在香港註冊成立)的內部資源成立共榮精密機械。自二零一二年起，永聯豐開始分銷共榮精密機械製造的迴轉支承及為客戶採購其他產品。

自業務開展以來，我們已大幅擴展客戶基礎。於二零一零年，我們的產品令人矚目，一間於新加坡交易所上市的公司(主要從事重型機械及柴油發動機零件買賣及為日本一間領先的機械和零件供應公司)成為我們的客戶並自此與我們建立業務關係。於二零一一年至二零一五年，三名日本設備製造商亦成為我們的常規原設備製造(「**OEM**」)的客戶。

本公司為一間於二零一八年十月二十六日在開曼群島註冊成立的獲豁免有限公司。於二零一九年十一月十五日(「**上市日期**」)，透過發售100,000,000股新股份(「**股份發售**」)，本公司股份成功於香港聯合交易所有限公司GEM上市(「**上市**」)。

鑒於我們的業務持續增長，在全球取得持續的銷售佳績，並於上市後進一步加強本集團的品牌知名度和關注度，本集團定位為最快速增長的迴轉支承「一站式服務」及其他機械部件的供應商之一。本集團會繼續努力，推廣旗下品牌，同時提供上乘產品，搶佔各地商機。

Chairman's Statement

主席報告

TO SHAREHOLDERS

Dear Shareholders,

On behalf of the board of directors of Best Linking Group Holdings Limited and its subsidiaries, I am pleased to present the annual results of the Group for the year ended 31 December 2021.

RESULTS AND DIVIDEND

The Board of the Company has resolved to announce the annual consolidated results for the financial year ended 31 December 2021 on 22 March 2022. The total revenue for the financial year ended 31 December 2021 amounted to approximately HK\$132.3 million (2020: HK\$69.5 million), representing a significant increase of approximately 90.3% when compared to the last financial year. The net profit for the year attributable to equity holders of the Company was increased to approximately HK\$35.1 million (net profit in 2020: HK\$13.6 million). Basic and diluted earnings per share was approximately 8.8 HK cents (2020: 3.4 HK cents).

The Board reviewed that the Group's result for the financial year ended 31 December 2021. The Group achieved record highs in terms of its revenue as well as profit for the year attributable to the owners of the Company. The Board recommends the payment of a final dividend of HK2.0 cents per share, bring the total distribution for the financial year ended 31 December to HK\$4.0 cents per share.

主席報告

各位股東：

本人謹代表永聯豐集團控股有限公司董事會欣然呈報本集團截至二零二一年十二月三十一日止年度之全年業績。

業績及股息

於二零二二年三月二十二日，本公司董事會議決宣佈截至二零二一年十二月三十一日止財政年度之全年綜合業績。截至二零二一年十二月三十一日止財政年度總收益約為132.3百萬港元（二零二零年：69.5百萬港元）相比上個財政年度，顯著增加約90.3%。本公司權益持有人應佔年內淨溢利約為35.1百萬港元（二零二零年淨溢利：13.6百萬港元）。每股基本及攤薄盈利為約8.8港仙（二零二零年：3.4港仙）。

董事會已審閱本集團截至二零二一年十二月三十一日止財政年度的業績。本集團在收益以及本公司擁有人應佔年度溢利方面，均錄得歷史新高。董事會建議派付末期股息每股2.0港仙，使十二月三十一日止財政年度的總分派為每股4.0港仙。

Chairman's Statement

主席報告

OVERALL BUSINESS ENVIRONMENT

The outbreak of the novel coronavirus (COVID-19) pandemic (the “**COVID-19 outbreak**”) has caused many organisations and companies to rethink and reconfigure their businesses for a changed world. The Group's competitive advantages as an “one-stop service” provider has been even more accentuated amid the COVID-19 outbreak, with the surging demand for the sourcing of other slewing rings, machineries, mechanical parts and components for its customers. Thanks to the expanding manufacturing sector in the PRC, in addition to slewing rings, the Group has been developing new products and services by manufacturing other mechanical parts and components for machineries. These new products enable the Group to broaden the scope of its business with its existing customers as well as new customers. Such mechanical parts and components are fundamental parts of machineries which the Group had sourced for its customers in the past.

The Group is positioned as one of the fastest growing “one-stop service” providers in the field of slewing rings. We will continue our effort to promote our brand as well as to provide quality products and seize business opportunities in various regions.

整體營商環境

新型冠狀病毒 (COVID-19) 疫情 (「**COVID-19 疫情**」) 的爆發，導致許多機構和企業重新思考並重新配置其業務，以適應全球變化。在 COVID-19 疫情下，本集團作為具有競爭優勢的「一站式服務」供應商更見突出，為客戶採購其他迴轉支承、機械、機械零部件的需求也急劇增加。得益於中國不斷擴大的製造業，除迴轉支承以外，本集團已透過製造其他機械機件及組件，開發新產品及服務。該等新產品擴闊了本集團與現有客戶及新客戶進行的業務範疇。該等機件及組件為本集團過往曾為客戶採購的基本機械部件。

本集團定位為最快速增長的迴轉支承「一站式服務」供應商之一。本集團會繼續努力，推廣旗下品牌，同時提供上乘產品，搶佔各地商機。

Chairman's Statement

主席報告

OUTLOOK

The Directors are looking forward that the Group's sourcing business will become even more stronger and continue to grow with tremendous potential. With a proven track record and strong foothold in the industry, the Group will endeavour to maintain a steady growth in its sourcing business to maximise the return for the Company's shareholders. Besides we will continue to enhance the factory automation to alleviate the impact of continuing increase in labour costs and overheads in the PRC. We will also continue to enhance our brand recognition and awareness, strengthen our production team and promote our corporate reputation.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our customers, suppliers, business associates and the most valued shareholders for their continuing trust and support for the Group, and to our directors, management and staff for their commitment and valuable contribution during the past year.

Chan Yuk Pan

Chairman and Chief Executive Officer

Hong Kong, 22 March 2022

前景

本集團的採購業務將越來越穩固，並可繼續增長，潛力深厚，董事對此滿懷期待。憑藉業內佳績與穩固地位，本集團會致力維持採購業務的穩定增長，為本公司股東帶來最大回報。此外，我們將繼續提升廠房自動化，以紓緩中國勞工成本及間接成本不斷上漲的影響。我們亦將繼續增加品牌認可及知名度，加強生產團隊及提高企業聲譽。

致謝

本人謹代表董事會，對客戶、供應商、業務夥伴及尊貴的股東一直對本集團的信任與支持，以及董事、管理層和全人在過去一年的付出和貢獻致以由衷謝意。

主席兼行政總裁

陳煜彬

香港，二零二二年三月二十二日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The Group is a premium manufacturer of slewing rings and other mechanical parts, and an “one-stop service” provider as it is able to source other slewing rings, machineries and mechanical parts and components for machineries of its customers.

We manufacture slewing rings that conform to applicable Japanese Industrial Standards (JIS), which has higher quality control requirements than that produced in many other countries in the world. Since 2020, the Group has utilised the proceeds from the Listing and has developed new products and provided a wider range of services by manufacturing other mechanical parts and components for machineries besides slewing rings. Most machineries and parts supplied by the leading suppliers in Japan were fit for the Group’s sourcing needs and with specifications not commonly supplied by other market suppliers.

The COVID-19 outbreak has caused many organisations and companies to rethink and reconfigure their businesses for a changed world. The Group’s superiority as an “one-stop service” provider has been even more accentuated amid the COVID-19 outbreak, with the surging demand for sourcing other slewing rings, machineries, mechanical parts and components for its customers.

Despite the energy shortage caused by the huge consumption of electricity by factories in the PRC which led to power cuts in both domestic and non-domestic sectors across China, the impact to the Group was minimal. The Group has taken a swift response by fine-tuning and adjusting the production planning and actively monitoring the production costs.

The Group continued to demonstrate its competence and business resilience in such adverse environment, with continuous successes in global sales and further reinforcement of the Group’s brand recognition and awareness. The Group is positioned as one of the fastest growing “one-stop service” providers in the field of slewing rings. The Group will continue its effort to promote its brand as well as to provide high quality products and seize business opportunities in various regions.

業務回顧

本集團為優質迴轉支承和其他機械機件製造商及「一站式服務」供應商，因為我們能夠為客戶採購其他迴轉支承、機械及機械的機件及部件。

我們製造的迴轉支承符合適用日本工業標準，而該標準對生產迴轉支承的品質監控要求較世界很多其他國家更為嚴格。自二零二零年起，本集團使用上市所得款項及一直開發新產品和提供更廣泛的服務，除迴轉支承外，亦製造機械的其他機件及部件。日本頂尖供應商提供的大部份機械及部件符合本集團採購所需，市場上鮮有其他供應商提供有關規格的機械及部件。

爆發新型冠狀病毒(COVID-19)導致許多機構和企業重新思考並重新配置其業務，以適應全球變化。在COVID-19疫情下，本集團作為「一站式服務」供應商的優勢更顯突出，為客戶採購其他迴轉支承、機械、機械零部件的需求也急劇增加。

雖然中國的工廠消耗大量的電力，造成能源短缺，導致中國各地住宅業及非住宅業的電力中斷，但對本集團的影響甚微。本集團已迅速應對，作出微調並調整生產規劃及積極監控生產成本。

在如此艱難的環境，本集團依然繼續展現其實力和業務抗壓能力，在全球取得持續的銷售佳績，並進一步加強本集團的品牌知名度和關注度。本集團定位為最快速增長的迴轉支承「一站式服務」供應商之一。本集團會繼續努力，推廣旗下品牌，同時提供上乘產品，搶佔各地商機。

Management Discussion and Analysis

管理層討論及分析

The overall performance of the Group in 2021 significantly improved as compared with 2020. The Group's revenue increased by 90.3% to HK\$132.3 million for the year ended 31 December 2021, as compared to HK\$69.5 million for the year ended 31 December 2020. Most products recorded notable growth, especially in machineries and other parts. The Group will continue its effort to promote its brand as well as to provide high quality products and seize business opportunities in various regions.

本集團於二零二一年的整體業績較二零二零年大幅改善。本集團的收益增加約90.3%至截至二零二一年十二月三十一日止年度的132.3百萬港元，而截至二零二零年十二月三十一日止年度則為69.5百萬港元。大部分產品均錄得顯著增長，尤其在機械及其他部件方面。本集團會繼續努力，推廣旗下品牌，同時提供上乘產品，搶佔各地商機。

The following table sets forth the breakdown of quantities sold by product category for the years ended 31 December 2020 and 2021:

下表列載截至二零二零年及二零二一年十二月三十一日止年度按產品類別劃分的銷量明細：

		For the year ended 31 December					
		2021		2020		+ / (-)	
		二零二一年		二零二零年			
		sets	(%)	Sets	(%)	Sets	(%)
		套	(%)	套	(%)	套	(%)
Quantities sold	已售數量						
Slewing rings	迴轉支承						
— ODM	— ODM	2,375	3.0	2,202	22.3	173	7.9
— OEM	— OEM	158	0.2	130	13.0	28	21.5
— OBM	— OBM	153	0.2	322	3.2	(169)	(52.5)
— Others	— 其他	1,164	1.5	319	3.2	845	264.9
		3,850	4.8	2,973	30.0	877	29.5
Machineries and other parts	其他機械及部件						
— Other parts	— 其他部件						
— ODM	— ODM	68,305	85.8	2,816	28.5	65,489	2,325.6
— Other	— 其他	7,372	9.3	4,096	41.4	3,276	80.0
		75,677	95.1	6,912	69.9	68,765	994.9
— Other machineries	— 其他機械	71	0.1	10	0.1	61	610.0
		75,748	95.2	6,922	70.0	68,826	994.3
Total	總計	79,598	100.0	9,895	100.0	69,703	704.4

Management Discussion and Analysis

管理層討論及分析

Slewing rings

The Group manufactures slewing rings for local and overseas customers primarily on an original design manufacturing (“ODM”) basis. The ODM customers include companies engaged in general wholesale trading and the distribution of machineries and equipments or their parts, which will be re-sold to end-users in the market and for the provision of related after-sales services. The ODM business leverages on the Group’s in-depth market knowledge and know-how accumulated through years of experience since the Group’s inception. The Group is able to produce different models of slewing rings for its customers. In the case of replacement of slewing rings, the Group can also manufacture slewing rings which already ceased production.

In addition, the Group manufactures for some overseas customers on an OEM basis. Some of the leading Japanese manufacturers of machineries and equipments or their affiliates are our OEM customers. The OEM business includes the manufacture and sales of products based on customers’ specifications and guidelines. The Group also derives its revenue from the sales of our proprietary branded products under an original brand manufacturer (“OBM”) basis.

For slewing rings not manufactured by the Group, the Group also sources such slewing rings for its recurring customers. The slewing rings that we source for our customers are mainly (i) models which we do not currently produce; and (ii) those which would not be commercially worthwhile for our Group to produce ourselves when compared to sourcing due to small scale orders or low profit margin.

During 2021, the increase in sales of slewing rings was mainly attributed to the ODM business and the business in the sourcing of other slewing rings we do not produce. We have an international customer base which have attracted several new ODM customers. We are able to produce slewing rings adopting the applicable national standards and can meet the customers’ requirements at the same time. Meanwhile, benefiting from the sales marketing efforts as well as the promotion of our advantages as an “one-stop service” provider, more and more customers have approached us and used our sourcing service. The new customers include a nominated supplier of a theme park and resort in Hong Kong. We sourced slewing rings and delivered to the theme park as instructed by such nominated supplier.

迴轉支承

本集團主要按原設計製造(「ODM」)基準為本地及海外客戶製造迴轉支承。ODM客戶包括從事機械設備或零部件的一般批發及分銷的公司，產品將轉售予市場的終端用戶，並提供相關售後服務。ODM業務以本集團自成立以來長年累積所得的深入市場知識及專業知識作為支持。本集團能夠為客為客戶生產不同型號的迴轉支承。倘需替換迴轉支承，本集團亦可生產已經停產的迴轉支承。

此外，本集團按OEM基準為部分海外客戶製造產品。機械及設備的日本部分頂尖製造商或其聯屬公司為我們的OEM客戶。OEM業務包括基於客戶的規格及指示製造及銷售產品。我們也在原品牌製造(「OBM」)基礎上從專有品牌產品的銷售中獲得收益。

就並非由本集團生產的迴轉支承而言，本集團就其熟客採購該等迴轉支承。本集團為客戶採購的迴轉支承主要為(i)本集團現時不生產的型號；及(ii)由於訂單規模小或利潤率低，相比採購而言，在商業上不值得由本集團自行生產。

於二零二一年，迴轉支承銷售上升，主要歸因於ODM業務及採購其他我們並無生產的迴轉支承的業務。我們具有國際客戶基礎，已吸納數名新ODM客戶。我們能夠按適用的國家標準來生產迴轉支承，同時能滿足客戶的要求。同時，受惠於營銷的努力及透過宣傳我們作為「一站式服務」供應商，越來越多客戶接觸我們及使用我們的採購服務。新增客戶包括香港一個主題公園及渡假村的獲提名供應商。我們按該獲提名供應商的指示採購迴轉支承及運送至主題公園。

Management Discussion and Analysis

管理層討論及分析

Machineries and other parts

The Group also sources machineries, mechanical parts and components for its customers. It complements the main line of business enabling the customers to enjoy a more comprehensive “one-stop service”. Such machineries, mechanical parts and components include but not limited to excavators and undercarriage parts such as track chains, rollers and track shoes. Since 2020, the Group has developed new products and provided a wider range of services by manufacturing other mechanical parts and components for machineries besides slewing rings.

The major reason for the increase in sales in machineries and other parts was due to the Group’s relationship with leading suppliers in Japan which were in a position to produce slewing rings, machineries, mechanical parts and components not commonly supplied by other market suppliers. Meanwhile, the Group’s development of new products and services by manufacturing other mechanical parts and components for machineries in 2020 had continued to grow in 2021. These newly developed products had enabled the Group to broaden the scope of its business with existing customers as well as the finding of new customers, which led to the growth of our sourcing business as such mechanical parts and components are fundamental parts of machineries which the Group had sourced for its customers in the past.

其他機械及部件

本集團亦為其客戶採購機械、機械零部件，藉以輔助主要業線，可讓客戶享有更為全面的「一站式服務」。該等機械、機械零部件包括但不限於挖掘機及底盤部件，如履帶鏈、滾軸及履帶板。自二零二零年，本集團一直開發新產品和提供更廣泛的服務，除迴轉支承外，亦製造機械的其他機件及部件。

機件及其他部件的訂單增加的主要原因，是本集團與日本頂尖供應商的關係該等供應商有能力生產迴轉支承、機件、機械機件及組件，市場上鮮有其他供應商提供。同時，本集團在二零二零年透過製造其他機械機件及組件，開發新產品及服務，於二零二一年持續增長。該等新開發的產品使本集團擴闊與現有客戶進行的業務範疇，亦有助色新客戶，促成採購業務有所增長，據此，有關機械的機件及組件為本集團過往為客戶採購機械的基本部分。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

REVENUE

The Group's revenue increased significantly by 90.3% or HK\$62.8 million from HK\$69.5 million for the year ended 31 December 2020 to HK\$132.3 million for the year ended 31 December 2021. Most products recorded notable growth, especially in the Machineries and other parts.

The following table sets forth the breakdown of our revenue by product category for the years ended 31 December 2020 and 2021:

財務回顧

收益

本集團的收益由截至二零二零年十二月三十一日止年度的69.5百萬港元大幅增加90.3%或62.8百萬港元，至截至二零二一年十二月三十一日止年度的132.3百萬港元。大部分產品均錄得顯著升幅，尤其是機械及其他部件。

下表列載截至二零二零年及二零二一年十二月三十一日止年度按產品類別劃分的收益明細：

		For the year ended 31 December					
		2021		2020		+ / (-)	
		二零二一年		二零二零年			
		HK\$'000	(%)	HK\$'000	(%)	HK\$'000	(%)
		千港元	(%)	千港元	(%)	千港元	(%)
Revenue	收益						
Slewing rings	迴轉部件						
— ODM	— ODM	34,473	26.1	25,972	37.4	8,501	32.7
— OEM	— OEM	525	0.4	421	0.6	104	24.7
— OBM	— OBM	1,477	1.1	3,534	5.1	(2,057)	(58.2)
— Others rings	— 其他部件	22,481	17.0	5,033	7.2	17,448	346.7
		58,956	44.6	34,960	50.3	23,996	68.6
Machineries and other parts	其他機械及部件						
— Other parts	— 其他部件						
— ODM	— ODM	8,311	6.3	5,581	8.0	2,730	48.9
— Others	— 其他	25,856	19.6	11,738	16.9	14,118	120.3
		34,167	25.8	17,319	24.9	16,848	97.3
— Other machineries	— 其他機械	39,127	29.6	17,220	124.8	21,907	127.2
		73,294	55.4	34,539	49.7	38,755	112.2
Total	總計	132,250	100.0	69,499	100.0	62,751	90.3

Management Discussion and Analysis

管理層討論及分析

Slewing rings

The Group manufactures slewing rings for local and overseas customers primarily on ODM, OEM and OBM basis. Revenue from slewing rings increased by approximately HK\$24.0 million to HK\$59.0 million for the year ended 31 December 2021 (the “**Reporting Period**”), as compared to year ended 31 December 2020, representing an increase of 68.6%.

The increase in sales of slewing rings was mainly attributed to the ODM business and the sourcing business of other slewing rings. We have an international customer base and are able to produce slewing rings adopting applicable national standards and can at the same time meet customers’ requirements. Because of our advantages, the Group had attracted several new ODM customers. The new customers contributed approximately HK\$3.6 million to the revenue of the ODM business. Meanwhile, benefiting from the marketing efforts as well as the promotion of our advantages as an “one-stop service” provider, more and more customers have approached us and used our sourcing service which attributed to approximately HK\$17.4 million in revenue. These new customers included a nominated supplier of a theme park and resort in Hong Kong. We sourced the slewing rings and delivered to the theme park as instructed by such nominated supplier.

The sales of slewing rings accounted for approximately 44.6% in revenue, and approximately 52.1% of the Group’s total gross profit.

迴轉支承

本集團主要按ODM、OEM及OBM基準為本地及海外客戶製造迴轉支承。與二零二零年十二月三十一日止年度相比，於截至二零二一年十二月三十一日止年度（「**報告期間**」），迴轉支承的收益增加約24.0百萬港元至59.0百萬港元，升幅為68.6%。

迴轉支承的銷售增加，主要歸因於ODM業務及其他迴轉支承採購業務所致。我們具有國際客戶基礎，能夠因應客戶要求按適用的國家標準來生產迴轉支承，同時可滿足客戶的要求。憑著我們的優勢，已吸納數個新ODM客戶。新客對ODM業務貢獻約3.6百萬港元的收益。同時，受惠於營銷的努力及透過宣傳我們作為「一站式服務」供應商，越來越多新客戶接觸我們及使用我們的採購服務，在收益的中佔約17.4百萬港元，使其他迴轉支承的採購業務的收益增加。該等新客戶包括香港一個主題公園及渡假村的獲提名供應商。我們按該獲提名供應商的指示採購迴轉支承及運送至主題公園。

出售迴轉支承佔收益約44.6%及本集團的毛利總額約52.1%。

Management Discussion and Analysis

管理層討論及分析

Machineries and other parts

The Group also sources machineries, mechanical parts and components for customers. Such machineries, mechanical parts and components included but not limited to excavators, undercarriage parts such as track chains, rollers and track shoes. Since 2020, the Group has developed new products and a wider range of servicing by manufacturing other mechanical parts and components for machineries besides slewing rings. Revenue from the machineries and other parts increased by approximately 112.2% year-on-year or HK\$38.8 million, from HK\$34.5 million for the year ended 31 December 2020 to HK\$73.3 million for the year ended 31 December 2021.

Significant revenue growth of 127.2% and 97.3% were achieved in machineries and other parts, respectively as compared to the year ended 31 December 2020. The sales of machineries had seen the biggest growth with a record high shipment of 71 units of machineries during the year. For the sourcing business, most machineries and parts supplied by the leading suppliers in Japan were fit for the Group's sourcing needs and with specifications not commonly supplied by other market suppliers.

The major increase in the sales of the other parts was attributable to the Group's development in manufacturing new mechanical parts and components for machineries in 2020 which continued to grow in 2021. These newly developed products had enabled the Group to broaden the scope of its business with existing customers as well as the finding of new customers, which led to the growth of its sourcing business as such mechanical parts and components are fundamental parts of machineries which the Group had sourced for its customers in the past.

The sales of machineries and other parts accounted for approximately 29.6% and 25.8% of the total revenue, respectively, amounting to approximately 19.3% and 28.6% of the Group's total gross profit, respectively.

其他機械及部件

本集團亦為客戶採購機械及機械零部件。該等機械、機械零部件包括但不限於挖掘機及底盤部件，如履帶鏈、滾軸及履帶板。自二零二零年起，本集團一直開發新產品和提供更廣泛的服務，除迴轉支承外，亦製造機械的其他機件及部件。機械及其他部件的收益由截至二零二零年十二月三十一日止年度的34.5百萬元按年增加約112.2%或38.8百萬元，至二零二一年十二月三十一日止年度的73.3百萬元。

與截至二零二零年十二月三十一日止年度相比，機械及其他部件的收益增長分別大幅升達127.2%及97.3%。年內機械銷售的出貨量創下71個單位的記錄新高。採購業務方面，日本頂尖供應商提供的大部份機械及部件符合本集團採購所需，市場上鮮有其他供應商提供有關規格的機械及部件。

其他部件銷售大增，乃由於本集團在二零二零年為機械開發製造其他新機件及組件，並於二零二一年持續增長。新開發的產品使本集團擴闊與現有客戶進行的業務範疇，以及物色新客戶，促成採購業務有所增長，因為該等機械的機件及組件為機械的基本部份，本集團過往曾為客戶採購。

機械及其他機件的銷售分別佔總收益約29.6%及25.8%以及分別佔本集團毛利總額約19.3%及28.6%。

Management Discussion and Analysis

管理層討論及分析

Geographical location

The following table sets forth a breakdown of our revenue by geographical location of our customers for the years ended 31 December 2021 and 2020:

地理位置

下表列載截至二零二一年及二零二零年十二月三十一日止年度按客戶地理位置劃分的收益明細：

		For the year ended 31 December					
		截至十二月三十一日止年度		2020		+ / (-)	
		2021		2020			
		二零二一年		二零二零年			
		HK\$'000	(%)	HK\$'000	(%)	HK\$'000	(%)
		千港元	(%)	千港元	(%)	千港元	(%)
Singapore	新加坡	45,858	34.7	24,120	34.7	21,738	90.1
Hong Kong	香港	40,961	31.0	18,134	26.1	22,827	125.9
Philippines	菲律賓	20,007	15.1	1,215	1.7	18,792	1,546.7
Malaysia	馬來西亞	10,412	7.9	8,555	12.3	1,857	21.7
Japan	日本	7,171	5.4	3,421	4.9	3,750	109.6
Taiwan	台灣	1,494	1.1	823	1.2	671	81.5
New Zealand	新西蘭	1,439	1.1	-	-	1,439	N/A
The PRC	中國	1,436	1.1	1,391	2.0	45	3.2
Vietnam	越南	1,379	1.0	-	-	1,379	N/A
Northern Ireland	北愛爾蘭	1,215	0.9	10,109	14.5	(8,894)	(87.9)
Canada	加拿大	518	0.4	166	0.2	352	212.0
Others	其他	360	0.3	556	0.9	(196)	(35.3)
Thailand	泰國	-	-	1,009	1.5	(1,009)	(100.0)
		132,250	100.0	69,499	100.0	62,751	90.3

Association of Southeast Asian Nations (“ASEAN”) countries continue to be the key market for the Group, especially the Singaporean and Malaysian markets where the Group has footprints for about 10 years. By leveraging the opportunity of initiatives behind The Belt and Road Initiative, Malaysia has cooperated with China to carry out a number of infrastructure construction projects. Such infrastructural constructions have driven the demand for slewing rings for construction equipments. We have built a strong foundation with customers in these countries. At the same time, the traditional demand for natural resources from forestry and mining activities for construction and heavy equipments also benefit our Group.

東南亞國家聯盟(「東盟」)的國家仍然為本集團的主要市場，尤其是新加坡及馬來西亞市場，本集團於該等市場已立足約十年。借助一帶一路倡議的機遇，馬來西亞與中國合作開展多個基建工程項目。該等基建工程一直推動建築設備對迴轉支承的需求。我們已與該等國家的客戶建立穩固基礎。同時，建築及重型設備對來自林業及採礦活動的天然資源的傳統需求也有利於本集團。

Management Discussion and Analysis

管理層討論及分析

Revenue generated from the Singaporean market increased from approximately HK\$24.1 million for the year ended 31 December 2020 by approximately 90.1% or HK\$21.7 million to HK\$45.8 million for the year ended 31 December 2021. The revenue generated from the Malaysian market increased from HK\$8.5 million for the year ended 31 December 2020 by approximately 21.7% or HK\$1.9 million to HK\$10.4 million for the year ended 31 December 2021. Two major customers located in Singapore are wholesale traders of slewing rings. Our slewing rings were re-sold to other countries such as the United States and Europe through these customers. During the year, contribution by these two major customers in Singapore increased by approximately HK\$19.1 million, or 90.6%, from approximately HK\$21.1 million for the year ended 31 December 2020 to approximately HK\$40.2 million for the year ended 31 December 2021.

Globally, the Group's customers may still face challenging times during the COVID-19 outbreak. In response to the ongoing COVID-19 pandemic and in order to meet the needs of diverse business activities of our customers, the Group has devoted more resources to enhance our research and development for new products. The Group's sourcing business in Hong Kong plays an important role. This strategic adjustment initiative has proven to be beneficial to the Group in maintaining its competitive advantage as an "one-stop service" provider, which led to increase in revenue. Revenue generated from Hong Kong, and other overseas markets in Japan, the Philippines and New Zealand during the year had increased by approximately HK\$22.8 million, HK\$3.8 million, HK\$18.8 million and HK\$1.4 million, respectively. This was mainly attributed by the increase in sales of machineries and other parts together with customers utilising the Group's "one-stop service", thus ordering more machineries and mechanical parts alongside slewing rings during the year ended 31 December 2021, when compared to the year ended 31 December 2020.

On the other hand, the revenue generated from the market in Northern Ireland decreased from approximately HK\$10.1 million for the year ended 31 December 2020 by approximately 87.9% or HK\$8.9 million to HK\$1.2 million for the year ended 31 December 2021. The decrease was mainly due to the change of product mix on the orders placed by a customer in Northern Ireland, when this customer purchased mainly machineries in 2020 while it purchased mainly slewing rings in 2021. The sale price of machineries are generally higher than that for slewing rings.

來自新加坡市場的收益由截至二零二零年十二月三十一日止年度的約24.1百萬港元增加約90.1%或21.7百萬港元至截至二零二一年十二月三十一日止年度的45.8百萬港元。來自馬來西亞市場的收益由截至二零二零年十二月三十一日止年度的約8.5百萬港元增加約21.7%或1.9百萬港元至截至二零二一年十二月三十一日止年度的10.4百萬港元。位於新加坡的兩名主要客戶均為迴轉支承的批發貿易商。我們的迴轉支承乃透過該等客戶轉售到美國及歐洲等其他國家的其他市場。於本年度，新加坡的該等兩位主要客戶的貢獻，由截至二零二零年十二月三十一日止年度的約21.1百萬港元增加約19.1百萬港元或90.6%至截至二零二一年十二月三十一日止年度的約40.2百萬港元。

總之，本集團客戶在COVID-19爆發期間，可能仍面臨艱難的時刻。為應對持續的COVID-19疫情及為滿足客戶各種業務活動的需求，本集團投入更多資源提升研發新產品。本集團於香港的採購業務擔當重要角色。此戰略調整計劃證明有利本集團保持作為一站式服務供應商的競爭優勢，促成收益增加。年內來自香港以至日本、菲律賓及新西蘭的其他海外市場的收入分別增加約22.8百萬港元、3.8百萬港元、18.8百萬港元及1.4百萬港元。這主要因為機械及其他部件的銷售增加，加上客戶使用本集團的「一站式」服務。因此，相較於截至二零二零年十二月三十一日止年度，截至二零二一年十二月三十一日止年度，對迴轉支承連同機械及機械部件的訂單數量增多。

另一方面，來自北愛爾蘭市場產生的收益由截至二零二零年十二月三十一日止年度的10.1百萬港元減少約87.9%或8.9百萬港元至截至二零二一年十二月三十一日止年度的1.2百萬港元。減幅主要由於來自北愛爾蘭的一名客戶發出的訂單的產品組合發生改變。該客戶於二零二零年主要購買機械，而於二零二一年主要購買迴轉支承。機械的售價通常高於迴轉支承售價。

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管理層討論及分析

COST OF SALES

The following table sets out the breakdown of our costs of sales for the years ended 31 December 2021 and 2020:

銷售成本

下表列載截至二零二一年及二零二零年十二月三十一日止年度的銷售成本明細：

		For the year ended 31 December					
		截至十二月三十一日止年度					
		2021		2020		+ / (-)	
		二零二一年		二零二零年			
		HK\$'000	(%)	HK\$'000	(%)	HK\$'000	(%)
		千港元	(%)	千港元	(%)	千港元	(%)
Cost of sales	銷售成本						
Cost of inventories and consumables	存貨及消耗品成本	70,004	90.1	36,865	85.0	33,139	89.9
Depreciation	折舊	1,194	1.5	1,357	3.1	(163)	(12.0)
Overheads	間接成本	1,646	2.1	1,331	3.1	315	23.7
Direct labour costs	直接勞工成本	4,896	6.3	3,809	8.8	1,087	28.5
Total	總計	77,740	100.0	43,362	100.0	34,378	79.3

The cost of sales primarily consists of costs of inventories and consumables, depreciation on plant and machinery, overheads and direct labour costs relating to its production. The Group's cost of sales increased from approximately HK\$43.4 million for the year ended 31 December 2020 by approximately 79.3% or HK\$34.3 million to HK\$77.7 million for the year ended 31 December 2021, which was primarily due to the increase in revenue and the need to produce a different product mix during the year.

銷售成本主要包括存貨及消耗品成本、廠房及機械折舊、與生產有關的間接成本及直接勞工成本。本集團的銷售成本由截至二零二零年十二月三十一日止年度的約43.4百萬港元增加約79.3%或34.3百萬港元至截至二零二一年十二月三十一日止年度的77.7百萬港元，主要由於年內收益及生產不同的產品組合的需求增加所致。

ADMINISTRATIVE EXPENSES

The administrative expenses of the Group increased from HK\$8.3 million for the year ended 31 December 2020 by approximately 25.4% or HK\$2.1 million to approximately HK\$10.4 million for the year ended 31 December 2021. Such increase was mainly due to the increase in staff cost by approximately HK\$1.5 million and the net increase in other administrative expenses by approximately HK\$0.4 million. Other administrative expenses mainly represent the provision for auditor's remuneration and the legal and professional fees, which assisted the Group to enhance its corporate governance and compliance aspects.

行政開支

行政開支本集團的行政開支由截至二零二零年十二月三十一日止年度的8.3百萬港元增加約25.4%或2.1百萬港元至截至二零二一年十二月三十一日止年度的約10.4百萬港元。增幅乃主要由於員工成本增加增加約1.5百萬港元；及其他行政開支淨增加約0.4百萬港元而抵銷。其他行政開支主要指核數師薪酬及法律及專業費用撥備，其協助本集團加強企業管治及合規層面。

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管理層討論及分析

PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

Profit attributable to shareholders of the Company was approximately HK\$35.1 million for the year ended 31 December 2021, as compared to approximately HK\$13.6 million for the year ended 31 December 2020.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has financed its business with internally generated cash flows and proceeds received from the Listing. As at 31 December 2021, the Group's cash and cash equivalents were HK\$56.4 million, increased by approximately 30.7% or HK\$13.3 million, as compared with HK\$43.1 million as at 31 December 2020. The increase was mainly attributable to increase in profit and net off by the utilisation of the one-off receipt of proceeds from the Listing in 2019. Bank deposits and cash were principally denominated in Hong Kong dollars, United States dollars and Renminbi. The Group will continue to use the internally generated cash flows and proceeds received from the Listing as a source of funding for future developments.

As at 31 December 2021, the Group's total current assets and current liabilities were approximately HK\$125.2 million (as at 31 December 2020: HK\$94.7 million) and HK\$14.7 million (as at 31 December 2020: HK\$6.4 million) respectively, representing a current ratio of 8.5 times (as at 31 December 2020: 14.8 times). As at 31 December 2021, the Group did not have any bank borrowings (as at 31 December 2020: Nil). As at 31 December 2021, the total interest-bearing bills payables was approximately HK\$7.0 million (as at 31 December 2020: HK\$0.9 million) and the gearing ratio of the Group was 5.4% (as at 31 December 2020: 0.9%). The gearing ratio equals total interest bearing bills payables divided by total equity and multiplied by 100%.

本公司股東應佔溢利

截至二零二一年十二月三十一日止年度，本公司股東應佔溢利約為35.1百萬港元，而截至二零二零年十二月三十一日止年度則為約13.6百萬港元。

流動資金及財務資源

本集團以內部產生現金流及從上市收取的所得款項為其業務提供資金。於二零二一年十二月三十一日，本集團的現金及現金等價物為56.4百萬港元，較二零二零年十二月三十一日的43.1百萬港元增加約30.7%或13.3百萬港元。增幅乃主要由於溢利的增加及扣除二零一九年動用從上市一次過收取的所得款項所致。銀行存款及現金主要以港元、美元及人民幣計值。本集團將繼續以內部產生現金流及從上市收取的所得款項作為未來發展的資金來源。

於二零二一年十二月三十一日，本集團的流動資產及流動負債總額分別約為125.2百萬港元（於二零二零年十二月三十一日：94.7百萬港元）及14.7百萬港元（於二零二零年十二月三十一日：6.4百萬港元），流動比率為8.5倍（於二零二零年十二月三十一日：14.8倍）。於二零二一年十二月三十一日，本集團概無銀行借款（於二零二零年十二月三十一日：零）。於二零二一年十二月三十一日，計息應付票據的總額為約7.0百萬港元（於二零二零年十二月三十一日：0.9百萬港元），本集團的資產負債比率為5.4%（於二零二零年十二月三十一日：0.9%）。資產負債比率等於總計息應付票據除以總權益再乘以100%。

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管理層討論及分析

CAPITAL STRUCTURE

As at 31 December 2021, the share capital of the Group comprised only ordinary shares. The capital structure of the Group mainly consists of obligations under finance leases and equity attributable to owners of the Group, comprising issued share capital, share premium, retained profits and other reserves.

USE OF NET PROCEEDS FROM THE LISTING

On 15 November 2019, the Company issued a total of 100,000,000 shares by way of Hong Kong public offering and placing at a price of HK\$0.55 per share, and successfully listed its shares on the GEM of the Stock Exchange.

The net proceeds of the Share Offer received by the Company in relation to the Listing after the deduction of underwriting fees and commissions and all related expenses were approximately HK\$28.4 million. Pursuant to the announcement dated 9 September 2020 issued by the Company, the Board announced and resolved to change the use of the net proceeds as set out in the prospectus. As at the report date, the directors consider that these proceeds have been applied in accordance with the proposed application set out in the section headed “Future Plans and Proposed Use of Proceeds” in the prospectus of the Company dated 31 October 2019 (the “**Prospectus**”) and as amended in the announcement.

資本架構

於二零二一年十二月三十一日，本集團股本僅包括普通股股份。本集團的資本架構主要包括融資租賃項責任以及本集團擁有人應佔權益，由已發行股本、股份溢價、保留溢利及其他儲備構成。

上市所得款項淨額用途

於二零一九年十一月十五日，本公司透過香港公開發售及配售方式以每股0.55港元發行合共100,000,000股股份，並成功於聯交所GEM上市。

本公司就上市取得的股份發售所得款項淨額約為28.4百萬港元，已扣除包銷費用及佣金以及所有相關開支。根據本公司於二零二零年九月九日發佈的公告，董事會宣佈及議決更改招股章程中所列載所得款項用途。於報告日期，董事認為該等所得款項已按照本公司日期為二零一九年十月三十一日的招股章程（「**招股章程**」）「未來計劃及所得款項擬定用途」一節所載及該公告所修訂的計劃應用。

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Details of the original allocation of the net proceeds, the revised allocation of the net proceeds, the utilisation of the net proceeds as at 31 December 2021 and the remaining balance after the revised allocation of the net proceeds as at 31 December 2021 are set out as follows:

所得款項淨額的原先分配、所得款項淨額的經修訂分配、於二零二一年十二月三十一日所動用的所得款項淨額，以及於二零二一年十二月三十一日所得款項淨額的經修訂分配的餘下金額詳情載列如下：

Use of proceeds

所得款項用途

		Percentage of net proceeds	Revised percentage of net proceeds	Net proceeds	Revised Net proceeds	Amount utilized	Amount remaining	Expected timeline for the intended use
		佔所得款項淨額百分比	淨額的經修訂百分比	所得款項淨額	所得款項淨額	所動用金額	餘下金額	擬定用途之預期時間表
				HK\$'000	HK\$'000	HK\$'000	HK\$'000	
				千港元	千港元	千港元	千港元	
To acquire and replace machineries and equipment with an aim to enhance and expand our production capacity at our production facilities in Dongguan, the PRC	收購及更換機械及設備以提升及擴展中國東莞生產設施的產能	60.60%	60.60%	17,210	17,210	11,905	5,305	Q4 of 2022 二零二二年 第四季度
To enlarge our market share and strengthen our marketing efforts	擴大市場份額及加強營銷力度	14.60%	4.40%	4,146	1,246	458	788	Q4 of 2023 二零二三年 第四季度
To increase our level of automation	提高自動化水平							Q4 of 2022 二零二二年 第四季度
To establish our ERP system	設立 ERP 系統	7.60%	7.60%	2,158	2,158	481	1,677	Q4 of 2023 二零二三年 第四季度
To expand our finance department	拓展財務部門	6.00%	6.00%	1,704	1,704	824	880	Q4 of 2023 二零二三年 第四季度
To enhance staff training	加強員工培訓	5.00%	5.00%	1,420	1,420	424	996	Q4 of 2023 二零二三年 第四季度
Working capital	營運資金	0.80%	0.80%	227	227	14	213	Q4 of 2023 二零二三年 第四季度
		5.40%	15.6%	1,535	4,435	4,435	-	N/A 不適用
		100.00%	100%	28,400	28,400	18,541	9,859	

As at 31 December 2021, the Group has utilised approximately HK\$18.5 million (as shown in the "Amount utilized" column of the table above). The unutilised amount of the net proceeds have been deposited with licensed banks in Hong Kong.

於二零二一年十二月三十一日，本集團已動用約18.5百萬港元（誠如上表「所動用金額」一欄所示）。未動用的所得款項淨額已存放於香港的持牌銀行。

Management Discussion and Analysis

管理層討論及分析

Comparison of business objectives and actual business progress

The following is a comparison between the Group's business plans as set out in the Prospectus which were revised on 9 September 2020, and the Group's actual business progress for the year ended 31 December 2021:

業務目標與實際業務進展之比較

以下為載於招股章程(於二零二零年九月九日經修訂)的本集團業務計劃及本集團截至二零二一年十二月三十一日止年度實際業務進展：

Business plan as set out in the prospectus

載於招股章程的業務計劃

To acquire and replace machineries and equipment with an aim to enhance and expand our production capacity at our production facilities in Dongguan, the PRC
中國東莞的生產設施購置及更換機械及設備以提升產能

To enlarge our market share and strengthen our marketing efforts
擴大市場份額及加強營銷力度

Actual business progress as at 31 December 2021

於二零二一年十二月三十一日的實際業務進展

The Group was in the process of purchasing 16 units of machines and paid deposits of about HK\$11.9 million for the machineries. Eight of them (including high speed milling machines and raceway quenching machines) arrived at our production facilities in 2021 and are being tested. These machineries are expected to come into use in the first half of 2022.

本集團正購買十六台機械，並為機械支付約11.9百萬港元的按金。其中八台機器(包括高速鑽齒機床和滾道淬火機床)已於二零二一年抵達生產設施。該等新設備將用於貨品生產。該等機械預期於二零二二年上半年投入使用。

In light of the COVID-19 outbreak in 2020 and the quarantine measures taken by the PRC and other countries and travel restrictions, the Group had withdrawn its enrolment to several trade exhibitions and will refine its marketing plans.

鑑於二零二零年爆發 COVID-19 疫情，以及中國及其他國家採取隔離措施及旅遊限制，本集團已取消參與多個貿易展覽會，並將完善其營銷計劃。

During 2020 and 2021, the Group increased the workforce in the sales department to strengthen the sales support. In addition, we hired a consultant to design the web pages for the Group and to provide advice in the promotion strategies.

於二零二零年及二零二一年，本集團為銷售部增加人力，以加強協助在銷售事務。另外，我們聘請顧問為我們設計網頁並提供宣傳策略的意見。

Management Discussion and Analysis

管理層討論及分析

Business plan as set out in the prospectus

載於招股章程的業務計劃

To increase our level of automation
提高自動化水平

To establish our enterprise resource planning (ERP) system
用於設立企業資源規劃 (ERP) 系統

To expand our finance department
擴充財務部門

Actual business progress as at 31 December 2021

於二零二一年十二月三十一日的實際業務進展

The Group is discussing with a potential service provider on the development of new equipments for automation and also the redevelopment of the existing equipments to enhance the automation level. The scheduled visit by service provider outside Hong Kong was delayed due to the travel restrictions caused by the COVID-19 outbreak.

本集團正與潛在服務供應商討論開發新的自動化設備，以及重新開發現有設備以提高自動化水準。香港以外的服務供應商的預期到訪因 COVID-19 疫情出現的旅遊限制而遭延遲。

At the same time, the Group had developed new equipments to achieve automatic packaging, which are now in use.

同時，本集團已在開發新設備，以實現自動化包裝，現時已投入使用。

The Group has appointed a system service provider and signed a contract in 2021. The Group is aiming to develop a system to enhance data management, especially in the areas of staff attendance, payroll accounting and other aspects such as document control.

本集團已委任系統服務供應商並於二零二一年訂約合同。本集團旨在開發一套系統提升數據管理效率，尤其是員工考勤、工資核算及文控管理等其他方面。

Meanwhile, the Group has improved the current system by increasing the capacity and efficiency in data processing.

同時，本集團透過提升數據處理的能力和運算成效，改善現有系統。

The Group had recruited a senior accountant and an accountant respectively during the third quarter of 2020 and the second quarter of 2021, and continued to identify suitable and high-quality candidates to expand the financial department.

本集團已分別在二零二零年第三季度及二零二一年第二季度招聘高級會計師及會計師，並繼續遴選合適優質的候選人擴充財務部門。

Management Discussion and Analysis

管理層討論及分析

Business plan as set out in the prospectus

載於招股章程的業務計劃

To enhance staff training
加強員工培訓

To maintain sound working capital for operation
營運資金

Actual business progress as at 31 December 2020

於二零二零年十二月三十一日的實際業務進展

During 2020 and 2021, three of our trained employees were awarded ISO quality management system certificates.

於二零二零年及二零二一年，受培訓員工中有三人取得ISO質量管理體系證書。

The Group had prepared training courses for a number of personnel. An employee in the quality assurance department has received training in metrology to further strengthen our quality assurance process.

本集團為多名人員準備培訓課程。一名在質量保證部門的僱員完成計量學方面的培訓。以進一步增強我們的質量保證過程。

The re-allocation of the net proceeds from the strengthening of marketing efforts to supplementing the sound working capital for the operation of the Company will be beneficial to meet the current operation needs of the Group, increase its financial flexibility, and provide a bigger buffer to cope with the future economic uncertainty.

本集團將加強市場推廣的所得款項淨額重新分配，以補充本公司營運所需的穩健營運資金，將有利於滿足本集團目前的營運需要，增加其財務靈活性，並提供更多緩衝以應付未來經濟的不確定因素。

As at 31 December 2021, the Group had utilised approximately HK\$4.4 million as working capital for the development of on-going operations, including the development of new products and services by manufacturing other mechanical parts and components for machineries besides slewing rings.

於二零二一年十二月三十一日，本集團已動用約4.4百萬港元，作為開發持續經營的營運資金，包括通過製造除迴轉支承外的其他機件及部件，開發新產品及服務。

Management Discussion and Analysis

管理層討論及分析

SIGNIFICANT INVESTMENTS

As at 31 December 2021, the Group did not hold any significant investment.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year ended 31 December 2021, the Group had no material acquisition or disposal of subsidiaries, associates or joint ventures.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2021, the Group had 80 employees (as at 31 December 2020: 78 employees). Remuneration is determined by reference to prevailing market terms and in accordance with the performance, qualification and experience of each individual employee. The emoluments of the Directors are recommended by the remuneration committee of the Company (the **"Remuneration Committee"**), with reference to their respective contribution of time, effort and expertise on the Company's matters. In addition, employees are entitled to performance and discretionary year-end bonuses.

CHARGES ON ASSETS

As at 31 December 2021, the Group's banking facilities were secured by pledged bank deposits with an aggregate amount of approximately HK\$3,000,000 (as at 31 December 2020: HK\$2,400,000).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the Prospectus, the Group did not have other plans for material investments and capital assets.

重大投資

於二零二一年十二月三十一日，本集團並無持有任何重大投資。

重大收購及出售附屬公司、聯營公司及合營公司

於截至二零二一年十二月三十一日止年度，本集團概無重大收購或出售附屬公司、聯營公司或合營公司。

僱員及薪酬政策

於二零二一年十二月三十一日，本集團擁有80名僱員（於二零二零年十二月三十一日：78名僱員）。薪酬乃經參考現行市場條款並根據各僱員的個人表現、資歷及經驗釐定。董事之酬金乃經參考彼等各自對本公司事宜所投入時間、精力及專長根據本公司薪酬委員會（「**薪酬委員會**」）之推薦意見釐定。此外，僱員有權享有表現及酌情年終花紅。

資產質押

於二零二一年十二月三十一日，本集團的銀行融資以已抵押銀行存款合共約3,000,000港元（於二零二零年十二月三十一日：2,400,000）作抵押。

重大投資及資本資產的未來計劃

除招股章程所披露者外，本集團並無其他重大投資及資本資產計劃。

Management Discussion and Analysis

管理層討論及分析

FOREIGN EXCHANGE RISK

Foreign exchange risk is the risk of loss due to changes in foreign exchange rates. Our Group operates in Hong Kong and the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD and RMB. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, which are denominated in these currencies. Currently, the Group has not entered into any agreement or arrangement to hedge the Group's exchange rate risks. Any material fluctuation in the exchange rates of HKD or RMB may have an impact on the operating results of the Group.

The management considers that the foreign exchange risk with respect to USD is not significant as HKD is pegged to USD and transactions denominated in USD are mainly carried out by entities with the same functional currency. The exchange rate of RMB to HKD is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates.

CONTINGENT LIABILITIES

As at 31 December 2021, the Group did not have any material contingent liabilities.

DIVIDEND

During the year, an interim dividend of HK 2.0 cents per share (2020: Nil), amount to HK\$8,000,000 was paid on 13 December 2021.

The Board now recommend the payment of final dividend HK2.0 cents per share to the shareholders, amounting to a total sum of HK\$8,000,000 for the year ended 31 December 2021 (2020: Nil).

PROSPECTS

The Group will continue to keep an eye on the development of the COVID-19 pandemic, maintain close communication with customers and suppliers, as well as review and timely adjust its strategies. In addition to serving our customers, employees' health and well-being is also the Group's top priority.

The Group established a pandemic prevention and control measures to safeguard employees' health and safety, introducing flexible remote working arrangement and implementing efficient social distancing measures across all our offices.

外匯風險

外匯風險為源於匯率變動的虧損風險。本集團於香港及中國營運及承受各類貨幣產生的外匯風險，主要涉及美元及人民幣。外匯風險產生自未來商業交易、已確認資產及負債，其以該等貨幣計值。目前，本集團並無訂立協議或購買工具以對沖本集團的匯率風險。港元或人民幣匯率的任何重大波動會影響本集團的經營業績。

管理層認為有關美元的外匯風險並不重大，因為港元與美元掛勾及以美元計值的交易主要由功能貨幣相同的實體進行。人民幣兌港元的匯率須受中國政府頒佈的外匯管制規例及法規所限。本集團密切監察匯率變動以管理外匯風險。

或然負債

於二零二一年十二月三十一日，本集團並無任何重大或然負債。

股息

年內，中期股息每股2.0港仙（二零二零年：零），金額達8,000,000港元於二零二一年十二月十三日派付。

現時董事會建議於截至二零二一年十二月三十一日止年度向股東派付末期股息每股2.0港仙，總金額達8,000,000港元（二零二零年：無）。

前景

本集團會密切關注COVID-19疫情的發展，與客戶及供應商保持緊密溝通，並及時檢討和調整其策略。

除為客戶服務外，僱員的健康和福祉亦屬本集團首要之務。本集團立時建立疫情防控措施，保障僱員健康和 safety，辦事處引入靈活的遠程工作安排，並實行有效的社交隔離措施。

Management Discussion and Analysis

管理層討論及分析

Our goal is to strengthen our position as a premium slewing ring manufacturer, and to leverage on our competitive advantages as “one-stop service” provider to expand the scale of our operation and increase our profit margin. We also aim to increase our competitiveness in this fragmented slewing rings manufacturing industry by (i) increasing our efficiency and productivity; (ii) raising the quality of our products; and (iii) reducing our costs of production and our reliance on manpower. To achieve such objectives, the Group will continue to implement the following strategies:

- acquiring and replacing machineries and equipment with an aim to enhance and expand our production capacity at our production facilities in Dongguan, the PRC;
- enlarging our market share and strengthening our marketing efforts;
- increasing our level of automation;
- establishing our enterprise resource planning (ERP) system;
- expanding our finance department; and
- enhancing staff training.

我們的目標是鞏固作為迴轉支承優質製造商的地位，同時利用作為一站式服務供應商的競爭優勢擴大業務規模及提高利潤率。我們亦有意於分散的迴轉支承製造行業中提升競爭力，方法為(i)提高效率及生產力；(ii)提高產品質素；及(iii)減低生產成本及人力依賴。為達成該等目標，本集團將繼續實施以下策略：

- 就中國東莞的生產設施購置及更換機械及設備以提升及擴展產能；
- 擴大市場份額及加大營銷力度；
- 提高自動化水平；
- 設立企業資源規劃系統；
- 擴充財務部門；及
- 加強員工培訓。

Directors and Senior Management

董事及高級管理層

As at 22 March 2022, the date of the Report of the Directors, the biographical details of the directors (the “**Director(s)**”) and senior management of Best Linking Group Holdings Limited (the “**Company**”) are as follows:

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Yuk Pan (陳煜彬) (“**Mr. YP Chan**”), aged 42, is the executive Director, chief executive officer and chairman of our Board, and the Controlling Shareholder of our Group. He is also the chairman of the Remuneration Committee. Since 2007, Mr. YP Chan has been responsible for the overall management of our Group, including strategic planning, as well as sales and business development. He was appointed director of Wing Fung, Kyoei Seiki and Best Linking in June 2007, August 2007 and December 2018 respectively and was appointed Director on 26 October 2018 and was re-designated as an executive Director on 12 March 2019.

Mr. YP Chan completed his Form 7 education in Avondale College in Auckland, New Zealand. From 1999 to 2002, Mr. YP Chan attended Auckland University of Technology and took courses in business computing, applied science and information technology. In March 2004, Mr. YP Chan obtained a certificate in advanced Japanese language course at the Japanese Language Institute of Sapporo in Sapporo, Japan.

Mr. YP Chan is an entrepreneur with over 10 years operational experience. He was involved in the trading of machineries and spare parts in Hong Kong and manufacture and sales of spare parts in the PRC. After completing the advanced Japanese language course at the Japanese Language Institute of Sapporo in Sapporo, Japan in 2004, Mr. YP Chan worked as a sales and marketing executive in a company engaged in distribution and exportation of confectionery and related products from December 2004 to December 2005 in Sapporo, Japan, which enabled him not only to further his Japanese language skill, but also gave him the opportunity to develop his network within the Japanese business community. After returning to Hong Kong, starting from January 2006, he worked in South Wing Machinery Co. Limited as a sales and marketing executive and gained experience in the sale and supply of heavy duty equipment and parts industry. In September 2007, he founded Kyoei Seiki through Wing Fung which is principally engaged in the manufacturing and sales of slewing rings. Throughout the past 10 years, Mr. YP Chan has established and maintained strong business relationship with general wholesale traders or distributors of machineries or parts in Asia, USA, Europe and Japan and gained valuable experience in the manufacture and sale of spare parts for machineries.

Mr. YP Chan is the brother of Mr. LP Chan, an executive Director of the Company.

於二零二二年三月二十二日(董事會報告日期)，永聯豐集團控股有限公司(「本公司」)董事(「董事」)及高級管理層的履歷詳情如下：

董事會

執行董事

陳煜彬先生(「陳煜彬先生」)，42歲，為本集團的執行董事、行政總裁及董事會主席及控股股東。彼亦為薪酬委員會主席。自二零零七年起，陳煜彬先生負責本集團整體管理，包括策略規劃及銷售及業務發展。彼分別於二零零七年六月、二零零七年八月及二零一八年十二月獲委任為榮豐、共榮精密機械及永聯豐的董事，並於二零一八年十月二十六日獲委任為董事及於二零一九年三月十二日調任為執行董事。

陳煜彬先生在新西蘭奧克蘭雅芳戴爾中學(Avondale College)完成中七教育。於一九九九年至二零零二年，陳煜彬先生入讀奧克蘭理工大學及修習商業運算、應用科學及資訊科技課程。於二零零四年三月，陳煜彬先生在日本札幌的札幌國際日本語學院取得進階日語課程證書。

陳煜彬先生為擁有逾10年營運經驗的企業家。彼從事於香港買賣機械及備用零件及於中國從事製造及買賣備用零件。於二零零四年在日本札幌的札幌國際日本語學院完成進階日語課程後，陳煜彬先生於二零零四年十二月至二零零五年十二月在日本札幌一間從事分銷及出口糕點及相關產品的公司擔任銷售及營銷人員，不僅讓彼提升日語能力，亦令彼有機會於日本商業圈中建立網絡。回港後，自二零零六年一月起，彼於南榮機械有限公司任職銷售及營銷人員，讓彼於銷售及供應重型設備及零件行業累積經驗。於二零零七年九月，彼透過榮豐創辦共榮精密機械，該公司主要從事製造及銷售迴轉支承。過去10年，陳煜彬先生與亞洲、美國、歐洲及日本的機械或零部件一般批發商或分銷商建立及維持穩固的業務關係，並在機械備用零件的製造及銷售上累積了寶貴的經驗。

陳煜彬先生為本公司執行董事陳龍彬先生的兄長。

Directors and Senior Management

董事及高級管理層

Mr. Chan Lung Pan (陳龍彬) (“**Mr. LP Chan**”), aged 40, was appointed an executive Director on 12 March 2019. He first joined our Group in November 2005 as director and shareholder of Wing Fung. Wing Fung had no business operations until September 2007 when Mr. YP Chan utilised his personal resources and internal resources of Wing Fung to establish Kyoei Seiki. Mr. LP Chan resigned from his directorship position in April 2011 to pursue his other career development. He is also a member of the Remuneration Committee. He is responsible for human resources management of our Group.

Mr. LP Chan attended Avondale College in Auckland, New Zealand, where he was enrolled as an international student in Year 12 from February 1998 to December 1999. He obtained his school certificate from the New Zealand Qualifications Authority in New Zealand in 1999 and later studied Japanese in Tohoku Foreign Language and Tourism College in Japan from October 2000 to March 2002.

Mr. LP Chan has over 15 years of experience in procurement and management. He commenced his career in South Wing Machinery Co. Limited in September 2003 as a trainee. He was subsequently promoted to the post of purchase and sales manager from 1 April 2009 to 30 September 2011, being responsible for purchase management, inventory control, contract negotiations, department co-ordination and complaints handling.

Mr. LP Chan is the brother of Mr. YP Chan, and executive Director of the Company.

Independent Non-executive directors

Mr. Chan Wan Tsun Adrian Alan (陳弘俊) (“**Mr. Adrian Chan**”), aged 43, was appointed an independent non-executive Director on 21 October 2019. He is also the chairman of the Audit Committee and a member of the Nomination Committee. He is responsible for overseeing the areas with regard to the strategy, policy, performance, accountability, internal control, corporate governance and providing independent advice to our Group.

Mr. Adrian Chan graduated from the University of New South Wales, Australia with a bachelor degree in commerce in accounting and finance in April 2000. He became a member of CPA Australia and the Hong Kong Institute of Certified Public Accountants in June 2006 and November 2009 respectively.

陳龍彬先生(「陳龍彬先生」)，40歲，於二零一九年三月十二日獲委任為執行董事。彼最初於二零零五年十一月加入本集團擔任榮豐董事及股東。榮豐並無業務營運，直至二零零七年九月陳煜彬先生利用其個人資源及榮豐的內部資源成立共榮精密機械。陳龍彬先生於二零一一年四月辭任董事職位以尋求其他事業發展。彼亦為薪酬委員會成員。彼負責本集團的人力資源管理。

陳龍彬先生曾就讀新西蘭奧克蘭的雅芳戴爾中學(Avondale College)，彼於一九九八年二月至一九九九年十二月以國際留學生身分就讀十二年級。彼於一九九九年在新西蘭的新西蘭資歷局取得學校證書，其後於二零零零年十月至二零零二年三月在日本東北外語觀光專門學校修讀日語課程。

陳龍彬先生於採購及管理方面擁有逾15年經驗。彼於二零零三年九月在南榮機械有限公司展開事業，職位為實習人員。其後，彼獲晉升及於二零零九年四月一日至二零一一年九月三十日擔任採購及銷售經理，負責採購管理、存貨控制、合約磋商、部門協調及處理投訴。

陳龍彬先生為本公司執行董事陳煜彬先生的弟弟。

獨立非執行董事

陳弘俊先生(「陳弘俊先生」)，43歲，於二零一九年十月二十一日獲委任為獨立非執行董事。彼亦為審計委員會主席及提名委員會成員。彼負責監督策略、政策、表現、問責、內部監控及企業管治等事宜並向本集團提供獨立意見。

陳弘俊先生於二零零零年四月在澳洲新南威爾斯大學畢業，獲得會計及金融商學士學位。彼分別於二零零六年六月及二零零九年十一月成為澳洲會計師公會及香港會計師公會會員。

Directors and Senior Management

董事及高級管理層

Mr. Adrian Chan has over 10 years of experience in the field of corporate finance. He started his career with Deloitte Touche Tohmatsu and worked in the audit department of the firm from January 2000 to March 2000. Mr. Adrian Chan then worked in various financial institutions and investment banks, including DBS Vickers Securities, with his last position as an executive in the corporate finance department, from April 2000 to December 2001, DBS Asia Capital Limited, with his last position as assistant vice president in equity capital markets, wholesale banking-global financial markets from January 2002 to July 2005, and UOB Asia (Hong Kong) Limited, with his last position as associate director, from July 2005 to November 2009. After leaving UOB Asia (Hong Kong) in November 2009, Mr. Adrian Chan switched his career from corporate finance to financial management. From November 2009 to June 2015, he was the chief financial officer of Enviro Energy International Holdings Limited (stock code: 1102.HK), where he was responsible for overall financial management, internal control and accounting. In July 2015, Mr. Adrian Chan was appointed the chief financial officer of Sun Ray Capital Investment Corporation. In July 2018, Mr. Adrian Chan was appointed the chief financial officer of LabyRx Immunologic Therapeutics Limited and in August 2018, Mr. Adrian Chan was appointed the chief financial officer of Lifespans Limited.

Mr. Adrian Chan was appointed as an independent non-executive director of Cheerwin Group Limited, a company listed on the main board of the Stock Exchange (stock code: 6601.HK) on 19 February 2021.

陳弘俊先生於企業融資範疇擁有逾10年經驗。彼於德勤·關黃陳方會計師行展開事業，自二零零零年一月至二零零零年三月在該會計師行審計部任職。陳弘俊先生其後於多間金融機構及投資銀行任職，包括於二零零零年四月至二零零一年十二月在星展唯高達證券任職，最後職位為企業融資部執行人員；於二零零二年一月至二零零五年七月在星展亞洲融資有限公司任職，最後職位為股本市場、大額銀行全球金融市場助理副總裁及於二零零五年七月至二零零九年十一月在新加坡大華亞洲(香港)有限公司任職，最後職位為副董事。於二零零九年十一月離開新加坡大華亞洲(香港)後，陳弘俊先生的事業由企業融資轉為財務管理。於二零零九年十一月至二零一五年六月，彼為環能國際控股有限公司(股份代號：1102.HK)的財務總監，彼負責整體財務管理、內部監控職能及會計職能。於二零一五年七月，陳弘俊先生獲委任為Sun Ray Capital Investment Corporation的財務總監。於二零一八年七月，陳弘俊先生獲委任為LabyRx Immunologic Therapeutics Limited的財務總監及於二零一八年八月，陳弘俊先生獲委任為Lifespans Limited的財務總監。

陳弘俊先生於二零二一年二月十九日獲委任為朝雲集團有限公司(於聯交所主板上市的公司，股份代號：6601.HK)的獨立非執行董事。

Directors and Senior Management

董事及高級管理層

The details of directorship held in public listed companies by Mr. Adrian Chan are as follows:

陳弘俊先生於公眾上市公司擔任董事的詳情載列如下：

Company name 公司名稱	Principal business activities of the company 公司的主要業務活動	Stock Code 股份代號	Stock Exchange 證券交易所	Position 職位	Duration 期間
Petromin Resources Ltd.	Petroleum and natural gas exploration and production	PTR.H	Toronto Venture Stock Exchange	Director, chief financial officer and corporate secretary	December 2015 to March 2018
Petromin Resources Ltd.	石油及天然氣勘探及生產	PTR.H	多倫多風險證券交易所	董事、財務總監及公司秘書	二零一五年十二月至二零一八年三月
Grand Baoxin Auto Group Limited 廣匯寶信汽車集團有限公司	Sales and service of motor vehicles 汽車銷售及服務	1293.HK 1293.HK	Main Board of the Stock Exchange 聯交所主板	Independent non-executive director 獨立非執行董事	November 2011 to June 2021 二零一一年十一月至二零二一年六月
Cheerwin Group Limited 朝雲集團有限公司	Household care, personal care and pet care products production 家居護理、個人護理及寵物護理產品生產	6601.HK 6601.HK	Main Board of the Stock Exchange 聯交所主板	Independent non-executive director 獨立非執行董事	February 2021 to present 二零二一年二月至今

Directors and Senior Management

董事及高級管理層

Ms. Tsang Hau Lam (曾巧臨) (“**Ms. Tsang**”), aged 48, was appointed an independent non-executive Director on 21 October 2019. She is also a member of the Audit Committee and the Remuneration Committee. She is responsible for overseeing the areas with regard to the strategy, policy, performance, accountability, internal control, corporate governance and providing independent advice to our Group.

Ms. Tsang graduated from The University of Melbourne, Australia with a bachelor’s degree of commerce in December 1996 and a master degree in practising accounting from Monash University, Australia in November 2000. She became a member of CPA Australia in July 2001.

Ms. Tsang has over 25 years of experience in the field of taxation. She started her career in PricewaterhouseCoopers in Hong Kong and worked with the firm from February 1997 to March 2003, with her last position as senior consultant, where she obtained experience in tax compliance matters. Between November 2004 and February 2007, Ms. Tsang worked in Ross Melville PKF in Auckland, New Zealand with her last position as tax consultant. She then rejoined PricewaterhouseCoopers in Hong Kong as senior consultant in February 2007 and stayed with the firm until April 2010 with her last position as manager. Between April 2010 and April 2015, Ms. Tsang was employed by BDO Limited with her last position as tax principal of Hong Kong tax team. From April 2015 up to now, she has been working in a private equity real estate investment group as vice president responsible for overseeing the tax matters.

Ms. Tam Ho Ting (譚可婷) (“**Ms. Tam**”), aged 43, was appointed an independent non-executive Director on 21 October 2019. She is also a member of the Audit Committee and the Nomination Committee and the chairman of the Remuneration Committee. She is responsible for overseeing the areas with regard to the strategy, policy, performance, accountability, internal control, corporate governance and providing independent advice to our Group.

Ms. Tam obtained a bachelor degree in business administration from The Chinese University of Hong Kong in May 2000. In January 2008, she was admitted an associate member of The Institute of Chartered Accountants in England and Wales. Ms. Tam has been a fellow member of the Association of Chartered Certified Accountants since July 2009 as well as a fellow member of the Hong Kong Institute of Certified Public Accountants since October 2015.

曾巧臨女士(「**曾女士**」)，48歲，於二零一九年十月二十一日獲委任為獨立非執行董事。彼亦為審計委員會及薪酬委員會成員。彼負責監督策略、政策、表現、問責、內部監控及企業管治等事宜並向本集團提供獨立意見。

曾女士於一九九六年十二月畢業於澳洲墨爾本大學，持有商業學士學位，並於二零零零年十一月獲得澳洲蒙納士大學會計學碩士學位。彼於二零零一年七月成為澳洲會計師公會會員。

曾女士於稅務範疇擁有逾25年經驗。於一九九七年二月至二零零三年三月，彼於香港羅兵咸永道會計師事務所工作，自此展開其職業生涯，最後職位為高級顧問，彼於在職期間獲得稅務合規事宜方面的經驗。於二零零四年十一月至二零零七年二月，曾女士於新西蘭奧克蘭的Ross Melville PKF任職，最後職位為稅務顧問。其後，彼於二零零七年二月重返香港羅兵咸永道會計師事務所任職高級顧問，並任職至二零一零年四月，最後職位為經理。於二零一零年四月至二零一五年四月，曾女士受聘於香港立信德豪會計師事務所有限公司，最後職位為香港稅務團隊的稅務主管。由二零一五年四月至今，彼一直擔任一間私募股權房地產投資集團的副總裁，負責監督稅務事務。

譚可婷女士(「**譚女士**」)，43歲，於二零一九年十月二十一日獲委任為獨立非執行董事。彼亦為審計委員會及提名委員會成員和薪酬委員會主席。彼負責監督策略、政策、表現、問責、內部監控及企業管治等事宜並向本集團提供獨立意見。

譚女士於二零零零年五月在香港中文大學取得工商管理學士學位。於二零零八年一月，彼獲認為英格蘭及威爾斯特許會計師公會會員。譚女士自二零零九年七月起成為特許公認會計師公會資深會員，並自二零一五年十月起成為香港會計師公會資深會員。

Directors and Senior Management 董事及高級管理層

Ms. Tam has over 20 years of work experience in the accounting and financial work sector. Before joining our Group, Ms. Tam worked in various accounting firms and multi-national companies. She started her career in the assurance and business advisory department in Moores Rowland and worked there from September 2000 to December 2002, with her last position as associate III. From December 2002 to March 2004, Ms. Tam worked as an assistant manager in KPMG, Hong Kong. From April 2004 to June 2007, she worked in Hutchison Telecommunications (Hong Kong) Limited, a wholly-owned subsidiary of Hutchison Telecommunications Hong Kong Holdings Limited (stock code: 215.HK), a company listed on the Main Board of the Stock Exchange with her final position as senior accountant in the finance and administration division. From June 2007 to August 2010, Ms. Tam worked in Avery Dennison Hong Kong, B.V., with her last position as finance manager in the production and costing sector of the financial planning and analysis department. Ms. Tam then worked as manager in the financial analysis department in Hasbro Far East Limited, Hong Kong from August 2011 to August 2013. Since November 2013, Ms. Tam has provided accounting and book-keeping services to private companies engaged in various sectors of industries in Hong Kong, including pharmacy services and other services. In September 2018, Ms. Tam established CT Business Services Limited which principal activity is the provision of accounting and book-keeping services.

譚女士於會計及財務工作行業擁有逾20年工作經驗。加入本集團之前，譚女士曾於多間會計師行及跨國公司工作。彼於二零零零年九月至二零零二年十二月在Moores Rowland的鑒證及業務諮詢部門工作，自此展開其職業生涯，最後職位為會計師III。於二零零二年十二月至二零零四年三月，譚女士在香港畢馬威會計師事務所任職助理經理。於二零零四年四月至二零零七年六月，彼在和記電訊(香港)有限公司工作，最後職位為財務及行政部高級會計師，該公司為聯交所主板上市公司和記電訊香港控股有限公司(股份代號：215.HK)全資附屬公司。於二零零七年六月至二零一零年八月，譚女士在Avery Dennison Hong Kong, B.V.工作，最後職位為財務規劃及分析部的生產及成本分部的財務經理。譚女士其後於二零一一年八月至二零一三年八月在香港孩之寶遠東有限公司財務分析部任職經理。自二零一三年十一月起，譚女士為從事不同行業的香港私人公司提供會計及簿記服務，包括藥房服務及其他服務。於二零一八年九月，譚女士成立思天商業服務有限公司，該公司的主要業務活動為提供會計及簿記服務。

Directors and Senior Management

董事及高級管理層

SENIOR MANAGEMENT

Mr. Chan Ho Chee Gilbert (陳浩賜) (“**Mr. Chan**”), aged 34, joined our Group as the chief financial officer on 1 November 2018. He was later appointed the chief operation officer and company secretary of our Group on 12 March 2019. He is primarily responsible for overseeing overall accounting, financial management, operation and compliance and company secretarial matters.

Mr. Chan obtained a bachelor degree in commerce (accounting) from Macquarie University in Australia in September 2009. He further obtained a master's degree in financial analysis from The University of New South Wales in August 2010. Mr. Chan has been a member of CPA Australia since December 2013. Mr. Chan has over 10 years of work experience in accounting and finance covering a vast range of clientele including manufacturing and food and beverage industries. From December 2010 to October 2013, Mr. Chan worked in BDO Limited, with his last position as senior associate, where he participated in the annual audit and special engagement of listed companies in Hong Kong. From October 2013 to July 2018, Mr. Chan worked in PricewaterhouseCoopers, with his last position as manager in assurance practice, where he has been involved in audits for public, sizable private and multinational companies as well as initial public offerings.

Ms. Chen Fang (陳芳) (“**Ms. Chen**”), aged 50, is our financial controller and assistant to the chief executive officer. Ms. Chen joined the finance department of Group in September 2007. She is primarily responsible for overseeing the financial and accounting management of Kyohei Seiki.

Ms. Chen graduated from Shaanxi Labor College (陝西工運學院) in the PRC in July 1998 with a diploma in computing and accounting (計算機與會計專業) and has over 10 years of experience in accounting work. Prior to joining our Group, between January 2002 and December 2003, Ms. Chen worked in the accounting department of Guangzhou Baiji Engineering Machinery Parts Co., Ltd* (廣州市柏基工程機械配件有限公司) in Guangzhou, the PRC.

高級管理層

陳浩賜先生(「**陳先生**」)，34歲，於二零一八年十一月一日加入本集團擔任財務總監。彼其後於二零一九年三月十二日獲委任為營運總監及公司秘書。彼主要負責監督整體會計、財務管理、營運及合規職能及公司秘書事宜。

陳先生於二零零九年九月在澳洲麥覺理大學取得商業(會計)學士學位。彼另於二零一零年八月在新南威爾士大學取得財務分析碩士學位。陳先生自二零一三年十二月起成為澳洲會計師公會會員。陳先生於會計及財務方面擁有逾10年工作經驗，涵蓋製造及餐飲業的廣泛客戶。於二零一零年十二月至二零一三年十月，陳先生於香港立信德豪會計師事務所有限公司任職，最後職位是高級會計師，彼參與香港上市公司年度審計及特別委聘工作。於二零一三年十月至二零一八年七月，陳先生於羅兵咸永道會計師事務所任職，最後職位是核證實務經理，期間彼負責公眾、私人及跨國公司的審計以及首次公開發售。

陳芳女士(「**陳女士**」)，50歲，為財務監控官及行政總裁助理。陳女士於二零零七年九月加入本集團財務部。彼主要負責監督共榮精密機械的財務及會計管理。

陳女士於一九九八年七月在中國陝西工運學院畢業，取得計算機與會計專業文憑，於會計工作擁有逾10年經驗。於加入本集團前，於二零零二年一月至二零零三年十二月，陳女士於中國廣州廣州市柏基工程機械配件有限公司會計部任職。

* For identification purpose only

Report of the Directors

董事會報告

The directors of the Company submit their annual report together with the audited consolidated financial statements for the year ended 31 December 2021.

REORGANISATION AND SHARE OFFER

The Company was incorporated in Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 26 October 2018. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

Pursuant to the completion of the reorganisation as detailed in the section headed "History, Reorganisation and Group Structure" in the Prospectus to rationalise the structure of the Group in preparation for the listing of the Company's shares on GEM of the Stock Exchange, the Company became the holding company of the subsidiaries now comprising the Group. The Shares of the Company were listed on the GEM of the Stock Exchange on 15 November 2019 through Share Offer as described in the section headed "Structure and Conditions of the Share Offer" in the Prospectus.

USE OF PROCEEDS FROM THE COMPANY'S SHARE OFFER

The aggregate net proceeds from the Share Offer (after deducting listing related expenses borne by the Company) amounted to approximately HK\$28.4 million. The proposed application of net proceeds as stated in the Prospectus has been adjusted according to the principles and proposed percentage of utilisation as specified in the section headed "Future Plans and Use of Proceeds" of the Prospectus. The use of proceeds from the Listing Date to 31 December 2021 is included in the section "Management Discussion and Analysis" on pages 22 to 23.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 1 to the consolidated financial statements.

董事會欣然提呈本年報連同本集團截至二零二一年十二月三十一日止年度經審核綜合財務報表。

重組及股份發售

於二零一八年十月二十六日，本公司根據開曼群島法例第22章公司法(1961年第3號法例，經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。本公司註冊辦事處為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

為籌備本公司股份於聯交所GEM上市，本公司完成集團重組(詳載於招股章程「歷史、重組及集團架構」一節)以理順本集團的架構，據此，本公司成為現時組成本集團的多家附屬公司的控股公司。透過招股章程「股份發售的架構及條件」一節所載的股份發售，本公司股份已於二零一九年十一月十五日在聯交所GEM上市。

本公司股份發售所得款項用途

股份發售所得款項淨額(經扣除本公司承擔的上市相關開支後)合共為約28.4百萬港元。招股章程所述所得款項淨額的擬定用途已根據招股章程內「未來計劃及所得款項用途」一節所述的原則及建議動用百分比作出調整。由上市日期至二零二一年十二月三十一日的所得款項用途載於第22至23頁「管理層討論及分析」一節。

主要業務

本公司的主要業務為投資控股。附屬公司的主要業務載於綜合財務報表附註1。

Report of the Directors

董事會報告

BUSINESS REVIEW

Business review of the Group for the Year as required by Schedule 5 of the Hong Kong Companies Ordinance, including a fair review of the Group's business, a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business, can be found in the "Management Discussion and Analysis" set out on pages 11 to 19 of this annual report and the section headed "Risk Management and Internal Control" on page 60 of the Corporate Governance Report in this annual report. In addition, discussion on Group's environmental policies and compliance with relevant laws and regulations which have a significant impact on the Group are contained in the Environmental, Social and Governance Report on pages 65 to 102 of this annual report. The discussion forms part of this directors' report.

RESULTS AND DIVIDENDS

The results of the Group for the year are set out in the consolidated statement of comprehensive income in page 111.

The interim dividend of HK\$2.0 cents per share for the nine-month period ended 30 September 2021 (2020: Nil) was declared and paid on 13 December 2021.

The Board recommends the payment of final dividend of HK\$2.0 cents per share (2020: Nil) in respect of the Year (the "**Final Dividend**"). The Final Dividend, if approved, shall be payable on Wednesday, 6 July 2022 and is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting on Friday, 17 June 2022. The shareholders whose names appear on the register of members of the Company at the close of business on Friday, 24 June 2022 will be entitled to the Final Dividend.

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the forthcoming AGM to be held on Friday, 17 June 2022, the register of members of the Company will be closed from Tuesday, 14 June 2022 to Friday, 17 June 2022 (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to qualify for entitlement to attend and vote at the Annual General Meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, Level 54, Hopewell Center, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Monday, 13 June 2022.

The register of members of the Company will be closed from Thursday, 23 June 2022 to Friday, 24 June 2022 (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to qualify for entitlement in the proposed final dividend, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's share registrar, Tricor Investor Services Limited, Level 54, Hopewell Center, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Wednesday, 22 June 2022.

業務回顧

香港公司條例附表五規定的本集團本年度業務回顧(包括本集團業務的公正回顧、本集團面對的主要風險及不確定因素概況及本集團業務潛在未來發展的闡述)·載於本年報第11至19頁的「管理層討論及分析」及本年報內企業管治報告第60頁「風險管理及內部監控」一節。另外，有關本集團的環境政策及對本集團有重大影響的相關法律及法規遵守情況的討論載於本年報第65至102頁環境、社會及管治報告。該討論構成本董事會報告的一部分。

業績及股息

本集團本年度的業績載於第111頁綜合全面收益表內。

截至二零二一年九月三十日止九個月的中期股息為每股2.0港仙(二零二零年：無)，並於二零二一年十二月十三日宣派及派付。

董事會建議派付本年度末期股息每股2.0港仙(二零二零年：無)(「**末期股息**」)。如獲批准，末期股息將於二零二二年七月六日(星期三)派發，惟須經本公司股東在於二零二二年六月十七日(星期五)舉行的應屆股東週年大會上批准方，告作實。於二零二二年六月二十四日(星期五)營業時間結束時，名列本公司股東名冊的股東將有權獲得末期股息。

暫停辦理股份過戶登記手續

為確保有權出席將於二零二二年六月十七日(星期五)舉行的股東週年大會及於會上投票，本公司將於二零二二年六月十四日(星期二)至二零二二年六月十七日(星期五)期間(包括首尾兩天)暫停辦理股份過戶登記手續。為合資格出席股東週年大會及於會上投票，務請在二零二二年六月十三日(星期一)下午四時三十分前，將所有過戶文件連同相關股票送達本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓。

本公司將於二零二二年六月二十三日(星期四)至二零二二年六月二十四日(星期五)期間(包括首尾兩天)暫停辦理股份過戶登記手續。為合資格享有建議末期股息，務請在二零二二年六月二十二日(星期三)下午四時三十分前，將所有過戶文件連同相關股票送達本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓。

Report of the Directors

董事會報告

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in Note 15 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the articles of association of the Company (the “**Articles of Association**”) or the laws of Cayman Islands which oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

DONATION

No charitable or other donation was made by the Group during the year ended 31 December 2021.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in Note 22 to the consolidated financial statements.

RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity and Notes 33 and 23 to the consolidated financial statements.

LOAN AGREEMENT WITH COVENANT RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDERS

Reference is made to an announcement dated 10 September 2020 issued by the Company with regard to a facility letter (the “**Previous Facility Letter**”) for a trading facility (the “**Previous Facility**”).

On 18 June 2021, the existing lender, DBS Bank (Hong Kong) Limited (the “**Lender**”), has pursuant to its periodic review agreed to replace the Previous Facility with a revised trading facility of up to HK\$10,000,000 (the “**Facility**”) for Best Linking Limited (“**Best Linking**”), which is an indirect wholly-owned subsidiary of the Company. Best Linking and the Company, as borrower and corporate guarantor respectively, entered into a revised banking facility letter with the Lender (the “**Facility Letter**”), on the terms and conditions therein contained, including the Lender’s right to review any time and the Lender’s customary overriding right to demand repayment, as well as the right to call for cash cover on demand for prospective or contingent liability.

Pursuant to the terms of the Facility Letter, among other things, during the term of the Facility Letter, (i) Best Linking shall remain an indirect wholly-owned subsidiary of the Company; (ii) the Company shall procure Mr. Chan Yuk Pan (“**Mr. YP Chan**”), the controlling shareholder of the Company, to remain as the director of the Company and Best Linking; and (iii) Mr. YP Chan shall continue to be the single largest shareholder and hold not less than 50% of the beneficial interest of the Company and Best Linking. As at the date of the announcement, Mr. YP Chan’s beneficial interest in each of the Company and Best Linking is 75%.

物業、廠房及設備

本集團的物業、廠房及設備變動詳情載於綜合財務報表附註15。

優先認購權

本公司組織章程細則(「**組織章程細則**」)或開曼群島法律項下概無優先認購權條文，規定本公司按比例基準向現有股東提呈發售新股份。

捐贈

截至二零二一年十二月三十一日止年度，本集團概無作出慈善或其他捐贈。

股本

本集團的股本變動詳情載於綜合財務報表附註22。

儲備

本集團及本公司的儲備變動載於綜合權益變動表及綜合財務報表附註33及23。

貸款協議連同與控股股東的特定履約責任有關的契諾

茲提述本公司日期為二零二零年九月十日的公告，內容涉及一份關於貿易融資(「**先前融資**」)的融資函件(「**先前融資函件**」)。

在二零二一年六月十八日，現時的貸方星展銀行(香港)有限公司(「**貸方**」)已根據其定期審查，同意為本公司的間接全資附屬公司永聯豐有限公司(「**永聯豐**」)提供最多10,000,000港元的經修訂貿易融資(「**該融資**」)，以取代先前融資。永聯豐與本公司(分別作為借方及企業擔保人)已與貸方訂立經修訂銀行融資函件(「**融資函件**」)，當中所載條款及條件包括貸方有權於任何時間審查及貸方擁有要求償款的慣常凌駕性權利，以及就潛在或或然負債要求現金保障的權利。

根據融資函件的條款，(其中包括)於融資函件年期內，(i)永聯豐仍為本公司的間接全資附屬公司；(ii)本公司將促使本公司控股股東陳煜彬先生(「**陳煜彬先生**」)留任本公司及永聯豐董事；及(iii)陳煜彬先生將繼續成為單一最大股東，並持有本公司及永聯豐不少於50%的實益權益。於該公告日期，陳煜彬先生於本公司及永聯豐各自的實益權益分別為75%。

Report of the Directors

董事會報告

Please refer to the announcement of the Company dated 18 June 2021 for more details.

DIRECTORS

The directors who held office during the year and up to the date of this report were as follow:

Executive Directors

Mr. Chan Yuk Pan (*Chairman and Chief Executive Officer*)
Mr. Chan Lung Pan

Independent Non-Executive Directors

Mr. Chan Wan Tsun Adrian Alan
Ms. Tsang Hau Lam
Ms. Tam Ho Ting

Biographical details of the directors are set out in pages 30 to 36 of this annual report.

Pursuant to the Articles of Association, one-third of the Directors shall retire from office by rotation and shall be subject to re-election at each AGM, provided that every Director shall retire at least once every three years.

Accordingly, Mr. Chan Yuk Pan and Mr. Chan Lung Pan shall retire at the forthcoming AGM and being eligible, will offer themselves for re-election.

The Group has received from each of the independent non-executive Directors annual written confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules and the Group considers all the independent non-executive Directors to be independent.

DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors has entered into a service agreement with the Company for a term of three years and shall continue thereafter until terminated in accordance with the terms of the service agreement.

Each of the Independent Non-executive Directors has entered into a letter of appointment with the Company for a term of one year and shall continue thereafter until it is terminated by either party by giving not less than one month's written notice to the other party.

None of the directors who are proposed for re-election at the Annual General Meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

更多詳情，請參閱本公司日期為二零二一年六月十八日的公告。

董事

於本年度及直至本報告日期為止的在任董事如下：

執行董事

陳煜彬先生(主席兼行政總裁)
陳龍彬先生

獨立非執行董事

陳弘俊先生
曾巧臨女士
譚可婷女士

董事的履歷詳情載於本年報第30至36頁。

根據組織章程細則，於每屆股東週年大會上，當時三分之一的董事須輪值退任及膺選連任，前提是每名董事均須最少每三年退任一次。

據此，陳煜彬先生及陳龍彬先生須在應屆股東週年大會上退任及合資格膺選連任。

本集團已收到各獨立非執行董事根據GEM上市規則第5.09條就其獨立性發出的年度書面確認，本集團認為全體獨立非執行董事均為獨立。

董事服務合約

執行董事各自已與本公司訂立服務協議，為期三年，其後可連任，直至根據服務合約的條款終止服務協議。

獨立非執行董事各自已與本公司訂立委任函，為期一年，其後可連任，直至任何一方透過向另一方發出不少於一個月書面通知以終止委任函。

擬於股東週年大會上重選的董事概無與本公司訂有不可於一年內免付補償(法定補償除外)而終止的服務合約。

Report of the Directors

董事會報告

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of emoluments of Directors and the five highest paid individuals of the Group are set out in Note 7 to the consolidated financial statement.

董事及五名最高薪金個人的酬金

本集團董事及五名最高薪金個人的酬金詳情載於綜合財務報表附註7。

DISCLOSURE OF INTERESTS — DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

Directors' and Chief Executive Interests in Shares and Share Options

As at 31 December 2021, the interests or short positions of the Directors and the chief executives 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 of Hong Kong (the "SFO")) which are required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

權益披露 — 董事及最高行政人員的權益

董事及最高行政人員於股份及購股權中擁有的權益

於二零二一年十二月三十一日，本公司董事及最高行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有：(a)根據證券及期貨條例第XV部第7及8分部規定須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例有關規定當作或視為擁有的權益及淡倉）；(b)根據證券及期貨條例第352條須記錄於該條所指登記冊的權益或淡倉；或(c)根據GEM上市規則第5.46至5.67條所述的董事交易規定標準須知會本公司及聯交所的權益或淡倉如下：

Long position in shares and underlying shares of the company

於本公司股份及相關股份的好倉

Name of substantial shareholder capacity/ nature of interest	Total number of share(s) held	Percentage of interest in our Company's issued capital 於本公司已發行 股本權益的百分比
主要股東的姓名／名稱身分／權益性質	所持股份總數	
Mr. Chan Yuk Pan's Interest in controlled corporation (Note 1)	300,000,000 shares (L)	75%
陳煜彬先生於受控法團的權益(附註1)	300,000,000 股股份(L)	75%

Note 1: Mr. YP Chan legally and beneficially owns the entire issued share capital of C Centrum Holdings Limited ("C Centrum") and is its sole director. Accordingly, Mr. YP Chan is deemed to be interested in the Shares held by C Centrum by virtue of the SFO.

附註1：陳煜彬先生合法及實益擁有C Centrum Holdings Limited（「C Centrum」）的全部已發行股本，並為其唯一董事。因此，根據證券及期貨條例，陳煜彬先生被視為於C Centrum所持有的股份內擁有權益。

Note 2: The letter "L" denotes "Long position" in such shares.

附註2：字母「L」指於相關股份的好倉。

Report of the Directors

董事會報告

Save as disclosed above, as at 31 December 2021, none of the directors or chief executives had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company or Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short positions which he was taken or deemed to have under provision of the SFO) or as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

Share Option Scheme

Our Company has conditionally adopted a share option scheme (the “**Share Option Scheme**”), which was approved by written resolutions passed by its shareholders on 21 October 2019 and became unconditional on 15 November 2019. Our directors consider the purpose of the Share Option Scheme is to reward the participants defined under the Share Option Scheme for their past contribution to the success of the Group and to provide incentive to them to further contribute to our Group. The principal terms of the Share Option Scheme are summarized under the paragraph headed “13. Share Option Scheme” in Appendix IV to the Prospectus and in accordance with the provisions of Chapter 23 of the GEM Listing Rules. The following is a summary of the principal terms of the Share Option Scheme.

1. Purpose and Participants of the Share Option Scheme

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of our Group and to promote the success of the business of the Group. The Board is entitled to determine and make an offer of grant of an option to any eligible persons.

The Share Option Scheme is valid and effective for a period of ten years from the date of the grant of option.

除上文所披露者外，於二零二一年十二月三十一日，概無董事或最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司或聯交所的權益或淡倉（包括根據證券及期貨條例的有關條文當作或視為擁有的權益及淡倉），或須記錄於根據證券及期貨條例第352條須存置的登記冊的權益或淡倉，或根據GEM上市規則第5.46至5.67條所述的董事交易規定標準須另行知會本公司及聯交所的權益或淡倉。

購股權計劃

本公司已有條件採納一項購股權計劃（「**購股權計劃**」），其於二零一九年十月二十一日獲股東以書面決議案形式批准，並於二零一九年十一月十五日成為無條件。董事認為購股權計劃旨在獎勵購股權計劃所界定的參與者過往對本集團的成功所作貢獻及激勵彼等繼續為本集團作出貢獻。購股權計劃的主要條款的概要載於招股章程附錄四「13.購股權計劃」一段及符合GEM上市規則第23章的條文。下文為購股權計劃的主要條款概要。

1. 購股權計劃的目的及參與者

購股權計劃旨在吸引及挽留最優秀的人員、向本集團僱員（全職及兼職）、董事、諮詢人、顧問、分銷商、承包商、供應商、代理、客戶、業務夥伴及服務供應商提供額外獎勵以及推動本集團業務締造佳績。董事會有權決定及作出要約，授出購股權予任何合資格人士。

購股權計劃已生效，由授出購股權日期起計十年期間有效。

Report of the Directors

董事會報告

2. Total number of Shares available for issue under the Share Option Scheme

The maximum number of Shares which may be allotted and issued under the Share Option Scheme and any other share option scheme of the Company must not exceed 10% of the total issued Shares of the Company as at the Listing Date unless the Company obtains an approval from the Shareholders. Therefore, the Company may grant options of up to 40,000,000 Shares (or such number of Shares as result from a subdivision or a consolidation of such 40,000,000 Shares from time to time) to the participants under the Share Option Scheme.

The number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Company at any time shall not exceed 30% of the shares in issue from time to time. No options shall be granted under any schemes of the Company (including the Share Option Scheme) if this will result in the limit being exceeded.

3. Maximum entitlement of Shares of each eligible participant

The total number of Shares issued and to be issued upon the exercise of all the share options granted and to be granted to each participant in any 12-month period shall not exceed 1% of the total number of Shares in issue. Any further grant of options is subject to shareholders' approval in general meeting with such Eligible Participants and his associates abstaining from voting.

4. The period within which the shares must be taken up under an option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date on which the option is offered to an eligible participant, provided that the period from such date shall not be more than ten years after the adoption date of the Share Option Scheme or after the termination of the Share Option Scheme.

5. The minimum period for which an option must be held before it can be exercised

An offer for the grant must be accepted within seven days inclusive of the day on which such offer was made.

6. The amount payable on acceptance of an option and the period within which payments shall be made

The amount payable by the grantee to the Company on acceptance of the offer for the grant of an option is HKD1.00.

2. 根據購股權計劃可發行的股份總數

根據購股權計劃及本公司任何其他購股權計劃可配發及發行的股份數目上限不得超過本公司於上市日期已發行股份總數的10%，惟本公司取得股東批准則作別論。因此，本公司可根據購股權計劃授出最多40,000,000股股份（或該等40,000,000股股份不時拆細或合併後的相關股份數目）予參與者。

因根據購股權計劃及本公司任何其他購股權計劃已授出及尚未行使的所有尚未行使購股權獲行使而可能發行的股份數目，於任何時候不得超過不時已發行股份的30%。倘根據本公司的任何計劃（包括購股權計劃）授出購股權將導致超出上限，則不得授出購股權。

3. 各合資格參者可獲的股份配額上限

於任何12個月期間，所有已授出及將授出的購股權獲行使而可予發行的股份總數不得超過已發行股份總數的1%。任何額外授出購股權須於股東大會上獲股東批准，而有關合資格參與人士及其聯繫人須放棄投票。

4. 須按購股權認購股份的期間

購股權可於董事會可能釐定的期間內（不超過向一名合資格參與者提呈購股權當日起計十年），隨時根據購股權計劃的條款獲行使，惟由該日期起計的該期間不可超過採購股權計劃日期後超過的十年或於購股權計劃終止後。

5. 購股權獲行使前必須持有的最短期間

授出購股權的要約必須於授出購股權當日起計七個營業日（包括作出該要約當日）獲接納。

6. 接納購股權時須支付的款項及須作出付款的期間

承授人於接納授出購股權的要約時應向本公司支付的款項為1.00港元。

Report of the Directors

董事會報告

7. The basis of determining the exercise price

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be at such price as determined by our Board and notified to an eligible person, and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date, which must be a trading day, on which our Board passes a resolution approving the making of an offer of grant of an option to an eligible participant; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant of the share option; and (iii) the nominal value of a Share on the date of grant of the share option.

8. The remaining life of the Share Option Scheme

Subject to earlier termination of the Share Option Scheme by the Company in general meeting or by the Board, the Share Option Scheme will remain valid and effective for a period of 10 years commencing on the adoption date of the Share Option Scheme, after which period no further share options shall be granted. All share options granted prior to the expiry of the Share Option Scheme shall continue to be valid and exercisable in accordance with the terms of the Share Option Scheme.

As at the date of this report, no share option was granted, exercised, lapsed or cancelled for the year ended 31 December 2021.

Rights to Acquire Shares or Debentures

Save as disclosed above, at no time during the year ended 31 December 2021 was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable any of the Company's directors or members of its management (including their spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares in, or debentures of, or had exercise any such rights in the Company or other body corporate.

Directors' Interests in Transaction, Arrangement or Contracts of Significance

No transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries or holding company was a party and in which any of the Company's directors or members of its management had a material interest, whether directly or indirectly, subsisted in the year ended 31 December 2021 or at any time during the year.

7. 釐定行使價的基準

根據購股權計劃，根據購股權計劃授出的任何特定購股權涉及的股份的認購價，應為董事會釐定及通知合資格參與者的相關價格，以及應最少為以下各項中最高者：(i) 董事會通過一項決議案批准向一名合資格參與者作出授出購股權的要約當日（必須為交易日）聯交所日報表所示的股份收市價；(ii) 於緊接授出日期前五個交易日的聯交所每日報價表所列股份的平均收市價；及(iii) 於授出購股權當日的股份面值。

8. 購股權計劃的餘下年期

倘購股權計劃並無被本公司於股東大會或被董事會提早終止，購股權計劃將一直有效，由採納購股權計劃日期起計為期十年，其後概不可授出更多購股權。於購股權計劃到期授出的所有購股權將根據繼續有效及可根據購股權計劃的條款行使。

於本報告日期，概無購股權已於截至二零二一年十二月三十一日止年度授出、行使、失效或註銷。

收購股份或債權證的權利

除上文所披露者外，於截至二零二一年十二月三十一日止年度內任何時間，本公司或其任何控股公司、附屬公司或其同系附屬公司概無參與任何安排，致令本公司董事或其管理層成員（包括其配偶及18歲以下子女）可藉購入本公司或其他法人團體的股份或債券而獲益。

董事於重大交易、安排或合約的權益

本公司或其任何附屬公司或控股公司並無訂有任何對本集團業務而言屬重大以及本公司任何董事或其管理層成員於當中擁有重大權益（不論直接或間接）且於截至二零二一年十二月三十一日止年度或本年度內任何時間存續的交易、安排或合約。

Report of the Directors

董事會報告

DISCLOSURE OF INTERESTS — SUBSTANTIAL SHAREHOLDER'S INTERESTS

Substantial Shareholder's Interests in Shares and Share Options

As at 31 December 2021, so far as known by the Directors, the following persons/entities (not being a Director or Chief Executive of the Company) had interest or short position in shares or underlying shares and debentures of Company and its associated corporation which would be required to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follow:

Name of substantial shareholder capacity	Nature of interest	Total number of share(s) held	Percentage of interest in our Company's issued capital 於本公司已發行股本權益的百分比
主要股東的姓名／名稱身分	權益性質	所持股份總數	
C Centrum ^(Note 1)	Beneficial owner	300,000,000 shares (L)	75%
C Centrum ^(附註1)	實益擁有人	300,000,000 股股份 (L)	75%
Ms. Leung Tak Yee ^(Note 2)	Interest of Spouse	300,000,000 shares (L)	75%
梁德儀女士 ^(附註2)	配偶權益	300,000,000 股股份 (L)	75%

Note 1: The entire issued share capital of C Centrum is legally and beneficially owned by Mr. Chan Yuk Pan. Accordingly, Mr. Chan Yuk Pan is deemed to be interested in the 300,000,000 Shares held by C Centrum by virtue of the SFO.

附註1：C Centrum的全部已發行股本由陳煜彬先生合法及實益擁有。因此，根據證券及期貨條例，陳煜彬先生被視為於C Centrum所持有的300,000,000股股份內擁有權益。

Note 2: Ms. Leung Tak Yee is the spouse of Mr. Chan Yuk Pan and is deemed to be interested in all the underlying Shares that Mr. Chan Yuk Pan is interested through C Centrum by virtue of the SFO.

附註2：梁德儀女士為陳煜彬先生的配偶，根據證券及期貨條例，被視為於陳煜彬先生透過C Centrum擁有權益的所有相關股份內擁有權益。

Note 3: The letter "L" denotes "Long position" in such shares.

附註3：字母「L」指於相關股份的好倉。

Save as disclosed above, as at 31 December 2021, no other person (other than director or chief executive of the Company) had any interest or short position in the Shares or underlying shares of the Company which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

除上文所披露者外，於二零二一年十二月三十一日，概無其他人士（本公司董事或最高行政人員除外）於本公司股份或相關股份中擁有任何根據證券及期貨條例第XV部第2及3分部條文須向本公司披露或須記錄於根據證券及期貨條例第336條本公司須存置的登記冊的權益或淡倉。

權益披露 — 主要股東的權益

主要股東於股份及購股權中擁有的權益

於二零二一年十二月三十一日，就董事所知，下列人士／實體（並非本公司董事或最高行政人員）於本公司及其相聯法團的股份或相關股份及債權證中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司及聯交所披露或須記錄於根據證券及期貨條例第336條本公司須存置的登記冊的權益或淡倉，載列如下：

Report of the Directors

董事會報告

PURCHASE, SALES AND REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2021.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or their respective close associates is or was interested in any business apart from the Group's business that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the year ended 31 December 2021 and up to the date of this report.

EQUITY-LINKED AGREEMENTS

Save as disclosed, no other equity-linked agreement was entered into by the Group, or existed during the year ended 31 December 2021.

SUBSIDIARIES

Details of subsidiaries of the Company as at 31 December 2021 are set out in Note 14 to the consolidated financial statements.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken by the Group are set out in Note 29 to the consolidated financial statements. The Directors consider that those related party transactions did not fall under the definition of "connected transaction" or "continuing connected transaction" in Chapter 20 of the GEM Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Listing Rules. The Group has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

MANAGEMENT CONTRACTS

Other than the service contracts of the Directors, no contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended 31 December 2021.

購買、出售及贖回股份

於截至二零二一年十二月三十一日止年度，本公司及其任何附屬公司均無購買、出售或贖回任何本公司上市證券。

董事於競爭業務的權益

於截至二零二一年十二月三十一日止年度及直至本報告日期的任何時間，董事或彼等各自的緊密聯繫人現時或過往概無於除本集團的業務以外與本集團的業務直接或間接構成競爭或在現時或過往可能構成競爭的業務中擁有權益。

股權掛鈎協議

除已披露者外，本集團於截至二零二一年十二月三十一日止年度概無訂立或不存在其他股票掛鈎協議。

附屬公司

本公司的附屬公司於二零二一年十二月三十一日的詳情載於綜合財務報表附註14。

關聯方交易

本集團進行的關聯方交易的詳情載於綜合財務報表附註29。董事認為該等關聯方交易並非GEM上市規則第20章所界定遵守上市規則項下任何申報、公佈或獨立股東批准的規定的「關連交易」或「持續關連交易」。本集團已遵守GEM上市規則第20章的披露規定。

管理合約

除董事服務合約外，於截至二零二一年十二月三十一日止年度，概無訂立或存在任何有關本公司全部或任何重大部分業務管理及行政的合約。

Report of the Directors

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of revenue for the year attributable to the Group's major customers are as follows:

Sales	出售	Percentage 百分比
The largest customer	最大客戶	18%
Five largest customers combined	五大客戶合計	59%

The percentage of purchases for the year attributable to the Group's major suppliers are as follows:

Purchases	購買	Percentage 百分比
The largest supplier	最大供應商	21%
Five largest suppliers combined	五大供應商合計	61%

None of the Directors, their associates or any other shareholder (which to the knowledge of the Directors, owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

RELATIONSHIP WITH SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its suppliers, customers and stakeholders to meet its immediate and long-term goals. During the year, there was no material and significant dispute between the Group and its suppliers, customers and/or other stakeholders.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a director of the Company. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group throughout the year.

PUBLIC FLOAT

As at the date of this report, the Company has maintained the prescribed public float under the GEM Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

主要客戶及供應商

本集團的主要客戶應佔年內收益的百分比如下：

本集團的主要供應商應佔年內採購額的百分比如下：

概無董事、彼等的聯繫人士或任何其他股東(就董事所知，擁有本公司5%以上的股本)擁有上述主要供應商或客戶的權益。

與供應商、客戶及其他持份者的關係

本集團明白與供應商、客戶及持份者維持良好關係對達成其短期及長期目標十分重要。於本年度，本集團與其供應商、客戶及／或其他持份者概無嚴重及重大糾紛。

獲准許的彌償條文

根據本公司組織章程細則，每名董事均有權因其作為本公司董事而就其產生或蒙受的一切損失或責任自本公司資產中獲得彌償。本公司已於整個年度為本集團董事及高級管理人員安排適當保險保障。

公眾持股量

於本報告日期，根據本公司可獲得的公開資料及就董事所知，本公司一直維持GEM上市規則所規定的公眾持股量。

Report of the Directors

董事會報告

INTEREST OF COMPLIANCE ADVISER

As notified by the Company's compliance adviser, LY Capital Limited ("LY Capital"), neither LY Capital nor any of its directors or employees or close associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules (except for the compliance adviser agreement entered into between the Company and LY Capital on 27 March 2019) as at the date of this annual report.

CORPORATE GOVERNANCE

Details of the principal corporate governance practices as adopted by the Company are as set out in the corporate governance report in pages 49 to 64 of this annual report.

EVENTS AFTER THE REPORTING PERIOD

The Group had no significant event after the end of the reporting period and up to the date of this report.

AUDITORS

The consolidated financial statements of the Company for the year ended 31 December 2021 have been audited by PricewaterhouseCoopers, who will retire and, being eligible, offer themselves for re-appointment. A resolution for the appointment of PricewaterhouseCoppers will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board

Chan Yuk Pan

Chairman and Chief Executive Officer

Hong Kong, 22 March 2022

合規顧問權益

誠如本公司合規顧問絡繹資本有限公司(「絡繹資本」)所告知，於本年報日期，絡繹資本或其任何董事或僱員或緊密聯繫人概無於本公司或本集團任何成員公司的股本中擁有任何權益(包括認購有關證券的購股權或權利)或與本公司有關的其他權益，而根據GEM上市規則第6A.32條須知會本公司(惟本公司與絡繹資本於二零一九年三月二十七日訂立的合規顧問協議除外)。

企業管治

本公司採納的主要企業管治常規詳情載於本年報第49至64頁的企業管治報告。

報告期後事件

於報告期末後及本報告日期止，本集團概無重大事件。

核數師

羅兵咸永道會計師事務所已審核本公司截至二零二一年十二月三十一日止年度綜合財務報表，並將退任，且符合資格並願意膺選連任。本公司應屆股東週年大會將提呈有關委任羅兵咸永道會計師事務所的決議案。

代表董事會

陳煜彬

主席兼行政總裁

香港，二零二二年三月二十二日

Corporate Governance Report

企業管治報告

The Board is pleased to present this Corporate Governance Report for the year ended 31 December 2021 (the “**Reporting Period**”). The Company wishes to highlight the importance of the Board in ensuring effective leadership and control of the Company, transparency and accountability of all aspects of operations and that the business is conducted in accordance with applicable laws and regulations.

The Company recognizes that good corporate governance is vital to the success of the Group and to sustain the development of the Group. The Company aims at complying with, where appropriate, all code provisions (“**Code Provisions**”) of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 15 to the GEM Listing Rules.

The Company’s corporate governance practices are based on the principles and the Code Provisions set out in the CG Code of the GEM Listing Rules. Throughout the Reporting Period, the Company has complied, to the extent applicable and permissible, with all Code Provisions set out in CG Code with the exception of Code A.2.1 as explained under the paragraph “Chairman and Chief Executive Officer” below.

DIRECTORS’ SECURITIES TRANSACTIONS

The Group has adopted a code regulating the securities transactions of Directors and executive officers named in this annual report, on terms no less exacting than the required standard of dealing as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Model Code**”).

Specific enquiry had been made to all Directors and relevant employees. They have confirmed that they have complied with the Model Code throughout the Reporting Period.

The Company has also established written guidelines regulating the transactions of securities of the Company by senior management and employees who are likely to be in possession of any inside information of the Company.

董事會欣然提呈截至二零二一年十二月三十一日止年度（「**報告期間**」）的本企業管治報告。本公司謹此表明，董事會確保本公司有效領導及監控，在各方面營運的透明度及問責性的重要性，以及根據適用法律及法規進行其業務。

本公司明瞭良好企業管治對本集團的成功及維持本集團的發展非常重要。本公司擬遵守（如合適）GEM上市規則附錄15所載企業管治守則（「**企業管治守則**」）的所有守則條文（「**守則條文**」）。

本公司的企業管治常規乃以GEM上市規則企業管治守則所載原則及守則條文為基礎。於報告期間，本公司已在適用及可行的情況下遵守所有企業管治守則所載的守則條文，惟下文「主席及行政總裁」一段所述有關守則第A.2.1條的情況除外。

董事的證券交易

本集團已採納規管董事及名列本年報的行政人員進行本公司之證券交易守則，其條款不會較GEM上市規則第5.48至5.67條所載的訂明買賣標準寬鬆（「**標準守則**」）。

已向全體董事及相關員工作出具體查詢。彼等已確認彼等於報告期間一直遵守標準守則。

本公司亦已就可能取得本公司內幕資料的高級管理層及僱員進行本公司的證券交易制定書面指引。

Corporate Governance Report

企業管治報告

The key corporate governance principles and practices of the Company are summarised as follows:

THE BOARD

Responsibilities

The overall management of the Company's business is vested in the Board, which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All Directors make decisions objectively in the best interests of the Company.

The Board reserves its powers over decision of all major matters which include, inter alia, the approval and monitoring of all policy matters, overall strategies and budgeting, internal control and risk management systems, material transactions (in particular those which may involve conflict of interests of substantial shareholder(s) or Director(s)), financial information, appointment of Directors and other significant financial and operational matters. The Board has the full support from the executive Directors and the senior management of the Company in discharging its responsibilities.

The Board has complied with the requirements of the GEM Listing Rules to have at least three independent non-executive Directors who represent more than one-third of the Board with at least one of them who possesses appropriate professional qualifications or accounting or related financial management expertise pursuant to Rule 5.05 of the GEM Listing Rules.

The Board has received from each independent non-executive Director (the "INED") a written annual confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules, and the nomination committee of the Company (the "Nomination Committee") has assessed the independence of each INED. The Company is of the view that all INEDs fulfil the relevant independence requirement throughout the Reporting Period. Each INED will inform the Company in writing as soon as practicable if there is any change of circumstances which may affect his/her independence.

本公司主要企業管治原則及常規概述如下：

董事會

職責

本公司業務整體管理賦予董事會負責，董事會承擔領導及監控本公司的責任，並透過指導及監管事務，集體負責促進本公司的成就。全體董事均客觀就本公司最佳利益作出決定。

董事會保留就所有重要事項作出決策的權力，包括(尤其是)批准及監控所有政策、整體策略及預算、內部監控及風險管理制度、重大交易(特別是可能涉及主要股東或董事的利益衝突者)、財務資料、委任董事及其他重大財務與營運事宜。董事會於履行其責任時獲本公司執行董事及高級管理層的全力支援。

董事會已遵守GEM上市規則之規定，根據GEM上市規則第5.05條委任最少三名獨立非執行董事，佔董事會人數超過三分之一，其中最少一名獨立非執行董事具備適當專業資格或會計或相關財務管理專長。

董事會已收到各獨立非執行董事(「獨立非執行董事」)根據GEM上市規則第5.09條之規定提交確認其符合獨立性之週年確認函，而本公司提名委員會(「提名委員會」)已於本年報日期評核各獨立非執行董事之獨立性。本公司認為，於報告期間，所有獨立非執行董事已滿足相關獨立規定。倘出現任何可能會影響其獨立性的變動情況，各獨立非執行董事將於實際可行情況下盡快書面通知本公司。

Corporate Governance Report

企業管治報告

Composition

The Board has a balance of skills, experience and diversity of perspective appropriate to the requirements of the business of the Group.

The Board currently comprises five members, consisting of two executive Directors and three independent non-executive Directors. The balanced composition of executive and independent non-executive members, as equal board members, upholds the effective exercise of independent judgment of the Board.

The Board currently comprises the following Directors:

Executive Directors

Mr. Chan Yuk Pan (*Chairman and chief executive officer*)

Mr. Chan Lung Pan

Independent Non-Executive Directors

Mr. Chan Wan Tsun Adrian Alan

Ms. Tsang Hau Lam

Ms. Tam Ho Ting

The biographical information of the Directors and the relationship between the members of the Board, if any, are provided in the “Directors and Senior Management” section of this annual report. Save as disclosed in the section “Directors and Senior Management” in this annual report, the Directors have no financial, business, family or other material or relevant relationships with each other.

Appointment, Re-Election and Removal of Directors

The Company has established formal and transparent procedures for the appointment and succession planning of Directors.

All Directors are appointed for specific tenures subject to retirement by rotation at least once every three years and subject to re-election at the annual general meeting.

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years, which shall be renewed as determined by the Board or the Shareholders of the Company. The appointment of each of the executive Directors may be terminated by either party in accordance with the terms thereof and retirement and re-election provisions in accordance with the Articles of Association of the Company.

組成

董事會根據本集團之業務需要具備適當的技巧、經驗及多元化的視野。

董會現時由五名成員組成，包括兩名執行董事及三名獨立非執行董事。執行董事與獨立非執行董事之組合保持均衡（作為擁有同等地位的董事會成員），有利於董事會有效地作出獨立判斷。

董事會現由以下董事組成：

執行董事

陳煜彬先生（主席及行政總裁）

陳龍彬先生

獨立非執行董事

陳弘俊先生

曾巧臨女士

譚可婷女士

董事的履歷資料及彼等與董事會成員的關係（如有）在本年報「董事及高級管理層」一節已有披露。除本年報內「董事及高級管理層」一節所披露者外，各董事相互間概無財務、業務、家庭或其他重大或相關之關係。

委任、重選及罷免董事

本公司已制定正式且具透明度的董事委任及繼任規劃程序。

全體董事均通過特定任期委任產生，須至少每三年輪席告退一次，並可於股東週年大會膺選連任。

執行董事已各自與本公司訂立服務協議，初步為期三年，可按董事會或本公司股東決定而重續。各執行董事之委任可由任何一方根據本公司組織章程細則的條款及退任及重選連任條文而終止。

Corporate Governance Report

企業管治報告

Each of the INEDs has accepted an appointment with the Company for an initial term of one year and shall be automatically renewed for another year. The appointment of each of the INEDs may be terminated by either party giving at least one month written notice to the other, subject to relevant terms of their respective appointments and the Articles.

Continuing Professional Development

Newly appointed Directors receive induction on the occasion of his/her appointment, so as to ensure that he/she has a proper understanding of the business and operations of the Company and is fully aware of his/her responsibilities under applicable laws, rules and regulations and the Group's various governance and internal control policies. The Company also, at its expense, arranges and provides suitable training, placing an appropriate emphasis on the roles, functions and duties of a listed company director.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary of the Company is responsible for maintaining and updating records for the Directors' training sessions. Up to the date of this report, the Directors have participated in continuous professional development by attending courses or studying relevant materials on the topics related to corporate governance and relevant updates of the rules and regulations.

Directors' and Officers' Liabilities

The Company has arranged for appropriate insurance coverage in respect of legal action against the Directors and officers against loss or liability sustained or incurred arising from or incidental to the execution of their duties. The insurance coverage is reviewed on an annual basis or on intervals as deemed appropriate by the Board.

Board Meetings and Directors' Attendance

According to code provision C.5.1 of the CG code, board meetings should be held at least four times a year at approximately quarterly intervals with active participation of a majority of the Directors, either in person or through electronic means of communication.

During the year, four regular Board meetings were held at approximately quarterly intervals for, among others, (i) reviewing and approving the financial and operating performance, including the final results for the year ended 31 December 2020, quarterly results for the three months ended 31 March 2021, interim results for the six months ended 30 June 2021 and results for the nine months ended 30 September 2021, and (ii) considering, reviewing and/or approving the overall strategies and policies of the Company.

各獨立非執行董事已接納本公司之委任，初步為期一年，其後自動重續一年。獨立非執行董事可由任何一方向另一方發出最少一個月的書面通知予以終止，並受限於彼等各自之委任及細則之相關條款。

董事培訓

新委任董事於獲委任時獲得就職介紹，確保彼恰當了解本公司業務及運作，及全面了解其於適用法律、規定及法規以及本集團各類管治及內部監控政策下的職責。此外，本公司亦自費就上市公司董事的角色、功能及職責的重要性安排及舉辦合適的培訓。

本公司鼓勵全體董事參與持續專業發展，以發展及更新彼等的知識及技能。本公司的公司秘書負責保管及更新董事的培訓課程記錄。直至本報告日期，董事已透過參加課程或學習有關企業管治及相關規則及法規更新的相關資料參與持續專業發展。

董事及高級職員的責任

本公司已就董事及高級職員履行職責須承擔或產生或附帶產生的損失或責任而面對的法律行動安排適當保險。投保範圍乃每年或董事會認為適當的時候進行檢討。

董事會會議及董事出席情況

根據企業管治守則的守則條文第C.5.1條，董事會會議應每年舉行至少四次，大致每季度舉行一次，並由大多數董事（親身出席或透過其他電子通訊方式）積極參與。

於本年度，四次常規董事會會議約每季度舉行一次，以（其中包括）(i) 檢討及審批財務及營運表現，包括截至二零二零年十二月三十一日止年度的全年業績、截至二零二一年三月三十一日止三個月之季度業績、截至二零二一年六月三十日止六個月的中期業績及截至二零二一年九月三十日止九個月的業績，並(ii) 考慮、檢討及／或審批本公司的整體策略及政策。

Corporate Governance Report

企業管治報告

All individual Directors have attended the four regular quarterly Board meetings (not including other ad hoc Board meetings held from time to time and any other meeting(s) of members of the Board in compliance with the CG Code), committee meetings and general meeting during the year ended 31 December 2021. Attendance includes physical attendance and attendance by telephone and by the video conference.

During the year, the Chairman also held a meeting with the independent non-executive Directors without the presence of other Directors.

Practices and Conduct of Board Meetings

A schedule of Board meetings dates is fixed for each year in advance. At least 7 days' formal notice of all regular Board meetings is given to all Directors and all Directors are given the opportunity to include matters for discussion in the agenda. The agenda and Board papers for each meeting are sent to all Directors at least 3 days in advance of every regular Board meeting.

The Company Secretary, as delegated by the Chairman, is responsible for preparing the agendas of board meetings, taking into account any matters the Directors may propose to include, ensuring that all Directors are given opportunity to include matters in the agendas and approving the agendas. To enable the Directors to make informed decisions, agendas and accompanying papers, together with all appropriate, complete and reliable information are sent to all Directors or all committees members at least three days before each Board meeting or committee meeting to keep the Directors and committee members apprised of the latest developments and/or financial position of the Company. The Board and the individual Directors also have access to the senior management to make further enquires or when they require further information, in addition to those volunteered by the senior management.

The Company Secretary attended all regular Board meetings and, whenever necessary, other Board and committee meetings to advise on statutory compliance, corporate governance matters and to ensure that the Company's policies and procedures were properly followed.

The Company Secretary is responsible for preparing and keeping minutes of all Board meetings and committee meetings. The minutes recorded sufficient details of matters considered, decisions reached, concerns raised and dissenting views expressed, if any. Draft and final versions of minutes are circulated to the Directors for comment and records within a reasonable time after each meeting. The final version is kept by the Company Secretary and opened for the Directors' inspection.

於截至二零二一年十二月三十一日止年度，全部個別董事均已出席四次季度常規董事會會議（不包括不時舉行的其他臨時董事會會議及任何其他符合企業管治守則的董事會成員會議）、委員會會議及股東大會。出席情況包括親身出席及通過電話和視像會議出席。

於本年度，主席亦與獨立非執行董事舉行一次並無其他董事在場的會議。

董事會會議常規及程序

董事會會議日期的時間表乃每年預先釐定。所有常規董事會會議須向全體董事給予最少7日正式通知期及全體董事有機會將事項納入議程以供討論。每次會議的議程及董事會會議文件會於每次常規董事會會議前最少3日寄發給全體董事。

公司秘書由主席委託負責擬備董事會會議議程，並包括董事提議載入的任何事項，確保全體董事皆有機會提出商討事項列入議程及批准議程。為使董事能作出知情有根據的決定，議程及相關的董事會文件連同所有合適、完整及可靠資料，至少在董事會會議及委員會會議的舉行三天前向全體董事或全體委員會成員，致令董事及委員會成員知悉本公司最新發展及／或財務狀況。董事會及個別董事亦可接觸高級管理層作進一步查詢，或當其要求進一步資料時，除高級管理層自願提供者之外。

公司秘書出席所有常規董事會會議及於有需要時出席其他董事會會議及委員會會議，就法定守章、企業管治事宜提供意見，並確保本公司的政策及程序得到妥當遵守。

公司秘書負責擬備所有董事會會議及委員會會議之會議記錄並加以存管。會議記錄充分詳細記錄所考慮事項、達成的決定、提出的疑慮及所表達的反對意見（如有）。會議記錄的初稿及最終定稿於各會議後合理時段內，予董事傳閱，作出意見，最終定稿將由公司秘書備存並可供董事查閱。

Corporate Governance Report

企業管治報告

According to current Board practice, any material transaction or matter which involves conflicting interests of a substantial shareholder or a Director, are dealt with by a duly convened physical Board meeting, at which independent non-executive Directors having no material interest in the transaction should be present. Any Director or any of their close associates having material interests in the transaction or matter shall abstain from voting and not to be counted in the quorum at meetings for approving such transactions.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee, for overseeing specific aspects of the Company's affairs. Each Board committee was established with defined written terms of reference setting out its authorities and duties and requiring the Board Committees to report back to the Board on their decisions or recommendations (unless otherwise restricted by applicable legal or regulatory requirements). To provide transparency, the terms of reference of the Board committees are posted on the Company's and the Stock Exchange's websites and hard copies of the same are available to shareholders upon request.

Each Board committee consists of a majority of INEDs. Chairman and members of each Board committee as at the date of this report are set out below:

Audit Committee

Mr. Chan Wan Tsun Adrian Alan (*Chairman*)*
Ms. Tam Ho Ting*
Ms. Tsang Hau Lam*

Remuneration Committee

Ms. Tam Ho Ting (*Chairman*)*
Mr. Chan Lung Pan**
Ms. Tsang Hau Lam*

Nomination Committee

Mr. Chan Yuk Pan (*Chairman*)**
Mr. Chan Wan Tsun Adrian Alan*
Ms. Tam Ho Ting*

* Independent non-executive Director
** Executive Director

The Board committees have been provided with sufficient resources to perform their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances at the Company's expense.

根據現行董事會常規，任何涉及主要股東或董事利益衝突的重大交易或事宜，須經由正式召開的實質董事會會議（於交易無重大利益關係的獨立非執行董事應出席會議）處理。任何於交易或事宜擁有重大權益的董事或彼等之緊密聯繫人須在批准該等交易的會議放棄表決及不獲計入法定人數內。

董事會委員會

董事會下設三個委員會：審計委員會、提名委員會及薪酬委員會，以掌管本公司特定事務。各董事會委員會均設有明確書面職權範圍，載列其要求董事會委員會向董事會報告其決定或意見的權限及職責（適用法律或監管規限制者除外）。為提供透明度董事會委員會的職權範圍於本公司及聯交所網站刊載，其複印件亦可供股東索閱。

各董事會委員會由獨立非執行董事佔多數。於本報告日期，各董事會委員會主席及成員如下：

審計委員會

陳弘俊先生(*主席*) *
譚可婷女士 *
曾巧臨女士 *

薪酬委員會

譚可婷女士(*主席*) *
陳龍彬先生 **
曾巧臨女士 *

提名委員會

陳煜彬先生(*主席*) **
陳弘俊先生 *
譚可婷女士 *

* 獨立非執行董事
** 執行董事

董事會委員會已獲提供充足資源履行職責及可於適當情況下，合理要求徵求獨立專業意見，費用由本公司承擔。

Corporate Governance Report

企業管治報告

Chairman and Chief Executive Officer

Code Provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. YP Chan currently holds both positions for the year ended 31 December 2021 and up to the date of this report. As Mr. YP Chan has been responsible for the overall management of the Group, including strategic planning as well as sales and business development, the Board considered that Mr. YP Chan is the suitable candidate to continue to hold both positions.

Audit Committee

Our Company established an audit committee on 21 October 2019 with written terms of reference in compliance with Rule 5.28 to 5.33 of the GEM Listing Rules and paragraphs D.3.3 and D.3.7 of the CG Code. The audit committee comprises three independent non-executive Directors; namely Mr. Adrian Chan, Ms. Tam and Ms. Tsang. Mr. Adrian Chan, who has appropriate professional qualification and experience in accounting matters, was appointed to serve as the chairman of the audit committee.

The main duties of the Audit Committee include, among others, the followings:

- (a) to review the financial statements and reports and consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or external auditor before submission to the Board;
- (b) to review the Company's relationship with the external auditor with reference to the work it performed, its fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and, if appropriate, removal of external auditor;
- (c) to review the adequacy and effectiveness of the Company's financial reporting system, the Group's financial control, internal control and risk management systems, including but not limited to adequacy of resources available to its respective functions, staff qualifications and experience and training programmes; and
- (d) to consider and identify risks of the Group and consider effectiveness of the Group's decision making processes in crisis and emergency situations and approve major decisions affecting the Group's risk profile or exposure.

The written terms of reference describing the authority and duties of the Audit Committee was prepared and adopted with reference to the CG Code and "A Guide for The Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants.

主席及行政總裁

企業管治守則的守則條文第C.2.1條規定，主席及行政總裁的職責應予區分，且不應由同一人士擔任。陳煜彬先生目前於截至二零二一年十二月三十一日止年度及直至本報告日期兼任兩個職位。由於陳煜彬先生一直負責本集團的整體管理，包括戰略規劃以及銷售及業務發展，董事會認為陳煜彬先生為繼續兼任兩個職位的適當人選。

審計委員會

本公司於二零一九年十月二十一日成立審計委員會，並遵照GEM上市規則第5.28至5.33條及企業管治守則第D.3.3及D.3.7段擬備了書面職權範圍。審計委員會由三位獨立非執行董事：陳弘俊先生、譚女士及曾女士組成。陳弘俊先生於會計方面擁有合適的專業資格及經驗，獲委任為審計委員會主席。

根據職權範圍，審計委員會的主要職責其中包括：

- (a) 審閱財務報表及報告，並於提交董事會前，考慮本公司的會計及財務匯報職員、監察主任或外聘核數師提出的任何重大或不尋常項目；
- (b) 參考外聘核數師所進行工作、費用及聘用條款，檢討公司與外聘核數師的關係，並就委任、續聘及(如合適)罷免外聘核數師向董事會提出意見；
- (c) 審閱本公司財務報告制度、本集團的財務監控、內部監控及風險管理制度是否充份及具備效益，其中包括但不限於是否有足夠資源履行其各職能員工資歷及經驗及培訓計劃；及
- (d) 審議及識別本集團的風險，並檢視本集團處理危機及緊急情況時的決策程序的成效，以及批准影響本集團風險概況的重要決策。

已參照企業管治守則及由香港會計師公會發佈的「成立審計委員會指引」編製及採納列明審計委員會的職權及職責的書面職權範圍。

Corporate Governance Report

企業管治報告

The Audit Committee held four meetings during the year ended 31 December 2021 to review quarterly, half-yearly and final financial results and reports, financial reporting and compliance procedures, internal control and risk management systems, effectiveness of internal audit function, the auditor's independence and objectivity. Full minutes of the meetings are duly kept by the Company Secretary and draft and final versions of the same have been sent to all committee members for comment and records, within reasonable time afterwards in accordance with the relevant Code Provisions. The Audit Committee also met with the Company's auditor, PricewaterhouseCoopers, twice during the year and recommended its re-appointment as the Company's external auditor to the Board, which has taken no different view in respect of the Audit Committee's recommendation.

During the Reporting Period and up to the date of this report, there was no material uncertainty relating to events or conditions that might cast significant doubt on the Company's ability to continue as a going concern. The Company's annual results for the year ended 31 December 2021 have been reviewed by the Audit Committee.

Nomination Committee

Our Company established a nomination committee on 21 October 2019 with written terms of reference in compliance with paragraph B.3.1 of the CG Code. The nomination committee comprises two independent non-executive Directors and one executive Director: Mr. Adrian Chan, Ms. Tam and Mr. YP Chan. Mr. YP Chan was appointed the chairman of the nomination committee. The primary functions of our nomination committee are (i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations to the Board on any proposed changes to the Board to complement our Company's corporate strategy; (ii) to identify individuals suitably qualified as potential Board members and select or make recommendations to the Board on the selection of individuals nominated for directorship; (iii) to assess the independence of our independent non-executive Directors; and (iv) to make recommendations to the Board on the appointment or reappointment of Directors and succession planning of Directors, in particular our chairman and the chief executive officer of the Company.

The Nomination Committee carries out the process of selecting and recommending candidates for directorship based on a number of factors, including expertise, skills, experience, professional knowledge, personal integrity and time commitments of such individuals, business requirements of the Group and other relevant statutory requirements and regulations. External recruitment agency may also be engaged to carry out the recruitment and selection process when necessary.

於截至二零二一年十二月三十一日止年度，審計委員會舉行四次會議，以審閱季度、半年度及全年財務業績及報告，財務申報及合規程序、內部監控及風險管理制度、內部審核職能的有效性、核數師的獨立性及客觀性。會議記錄全文由公司秘書妥為保存，而會議記錄的初稿及最終定稿亦已根據相關守則條文於會後合理時間內送交全體委員會成員，以供置評及作記錄。審計委員會亦於本年度與本公司核數師羅兵咸永道會計師事務所舉行兩次會議，並向董事會建議續聘其為本公司的外聘核數師，而董事會對審計委員會的建議並無異議。

於報告期間及直至本報告日期，並無有關可能對本公司按持續基準經營的能力產生重大疑問的事件或情況。本公司截至二零二一年十二月三十一日止年度的年度業績已經由審計委員會審閱。

提名委員會

本公司於二零一九年十月二十一日成立提名委員會，並遵照企業管治守則第B.3.1段擬備了書面職權範圍。提名委員會由兩位獨立非執行董事及一位執行董事：陳弘俊先生、譚女士及陳煜彬先生組成。陳煜彬先生獲委任為提名委員會主席。提名委員會的主要職責是(i)至少每年檢討董事會的架構、規模及組成(包括技能、知識及經驗)，並就任何為配合本公司策略而擬對董事會作出的變動提出建議；(ii)物色具備合適資格可加入董事會的人選，並進行甄選和就董事的人選提名向董事會提出建議；(iii)評估獨立非執行董事的獨立性；以及(iv)就委任或重新委任董事向董事會提出建議。

提名委員會負責就多項因素(包括技能、技巧、經驗、專業知識、個人誠信及投入時間)以及就本集團業務需要及其他相關法定規則及規例，甄選及推薦候任董事人選。有需要時或會委任外界招聘代理進行招聘及甄選程序。

Corporate Governance Report

企業管治報告

To facilitate sustainable and balanced development of the Company, the Nomination Committee has adopted a board diversity policy (the “**Diversity Policy**”), which sets out the approach to achieve diversity of the Board. Under the Diversity Policy, the appointment and/or recommendation for appointment will be based on objective criteria, having due regard to the benefits of diversity of the Board, including, among others, the candidates’ gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Board will consider to set measurable objectives to implement the Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving these objectives. Decisions of the Nomination Committee are based on the merits and contribution of the selected candidates. As at the date of this report, the Board characterised by significant diversity, regardless in terms of age, gender, professional experience, skills and knowledge. The Nomination Committee has also adopted a nomination policy (the “**Nomination Policy**”) which sets out the selection criteria and procedure of appointing and re-appointing a Director. The selection criteria used in assessing the suitability of a candidate include, inter alia, his/her academic background and professional qualifications, relevant experience in the industry, character and integrity and whether he/she can contribute to the diversity of the Board as detailed in the Diversity Policy. The procedure of appointing and re-appointing a Director is summarised as follows:

- nomination and invitation of suitable candidates by any member of the Nomination Committee or the Board;
- evaluation of the candidate by the Board based on all selection criteria set out in the Nomination Policy;
- performing due diligence in respect of each candidate and making recommendation for the Board’s consideration and approval;
- in case of nomination of an independent non-executive Director, assessing the candidate’s independence under the relevant Code Provisions and the Listing Rules;
- where nominating an independent non-executive Director for election at general meetings, having due consideration of matters under Code Provision B.3.4;
- in the context of re-appointment of retiring Directors, reviewing the candidate’s overall contribution and performance and making recommendations to the Board and/or the shareholders for consideration in connection with his/her re-election at general meetings; and
- convening a meeting of the Board to consider the appointment or re-appointment of the candidate as a Director.

為促進本公司持續、均衡的發展，提名委員已採納董事會多元化政策（「**多元化政策**」），當中載列為達致董事會成員多元化而採取之方針。根據多元化政策，將依據客觀標準，充分考慮多元化對董事會裨益進行委任及／或推薦委任，其中包括候選人性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年限。董事會將考慮制定可計量目標，以實行多元化政策，並不時審閱該等目標，確保其合適度及確定達成該等目標的進度。提名委員會的決定乃基於候選人的優點及貢獻。於本報告日期，董事會以非常多元見稱，不分年齡、性別、專業經驗、技能及知識。提名委員會亦已採納一項提名政策（「**提名政策**」），當中列載新委任及重新委任董事之甄選準則及提名程序。用以評估候選人的甄選準則包括（尤其是）其學歷背景及專業資格、與行業有關之經驗、品格及誠信及彼是否能如多元化政策所述為董事會多元化作出貢獻。新委任及重新委任董事的程序概述如下：

- 由提名委員會或董事會任何成員提名及邀請適當候選人；
- 由董事會根據提名政策所載所有甄選準則評估候選人；
- 對各候選人進行盡職審查並作出推薦建議以供董事會考慮及批准；
- 如提名獨立非執行董事，則根據相關守則條文及上市規則評估候選人的獨立性；
- 倘於股東大會上提名獨立非執行董事膺選，則根據守則條文第B.3.4條作出審慎考慮；
- 如重新委任退任董事，則檢討候選人的整體貢獻及表現並就其於股東大會進行重選向董事會及／或股東作出推薦建議以供考慮；及
- 召開董事會議以考慮委任或重新委任候選人為董事。

Corporate Governance Report

企業管治報告

The Nomination Committee held one meeting during the year ended 31 December 2021 to, amongst others, (i) review the structure, size, diversity and composition of the Board; (ii) assess the independence of the independent non-executive Directors; and (iii) review and recommend the continuing adoption of the Diversity Policy.

Remuneration Committee

Our Company established a remuneration committee on 21 October 2019 with written terms of reference in compliance with Rule 5.34 to 5.36 of the GEM Listing Rules and paragraph E.1.2 of the CG Code. The remuneration committee comprises two independent non-executive Directors and one executive Director: Mr. LP Chan, Ms. Tam and Ms. Tsang. Ms. Tam was appointed chairman of the remuneration committee. The primary functions of our remuneration committee are to make recommendations to the Board on the overall remuneration policy and the structure relating to all Directors and senior management of our Group, review performance based remuneration and ensure none of our Directors is in a position to determine his own remuneration.

The Remuneration Committee normally meets to review the remuneration policy and structure and determine the annual remuneration packages of the Directors and the senior management and other related matters. The human resources department is responsible for collection and administration of the human resources data and proposing the remuneration structure and remuneration packages of the individual executive Director and senior management to the Remuneration Committee for consideration. The Remuneration Committee shall consider and consult the Chairman and/or the Board about these proposals.

The Remuneration Committee held one meeting during the year ended 31 December 2021 to review and recommend the remuneration packages of the Directors and the senior management, to establish a formal and transparent procedure for developing policy for the remuneration of the Directors, assess the performance of the executive Directors and approve the terms of their respective service contracts.

The remuneration payable to the members of the senior management by band for the year ended 31 December 2021 is set out below:

於截至二零二一年十二月三十一日止年度，提名委員會舉行一次會議，以(其中包括)(i)檢討董事會架構、規模、多元化及組成；(ii)評估獨立非執行董事的獨立性；及(iii)檢討及建議繼續採納多元化政策。

薪酬委員會

本公司於二零一九年十月二十一日成立薪酬委員會，並遵照GEM上市規則第5.34至5.36條及企業管治守則第E.1.2段擬備了書面職權範圍。薪酬委員會由兩位獨立非執行董事及一名執行董事：陳龍彬先生、譚女士及曾女士組成。譚女士獲委任為薪酬委員會主席。薪酬委員會的主要職責是，就整體薪酬政策和本集團全體董事及高級管理層的架構提供建議、審視與表現掛鈎的薪酬，以及確保董事不得釐定其本人的薪酬。

薪酬委員會一般就審閱薪酬政策及結構以及釐定董事及高級管理人員年度薪酬待遇與其他相關事務舉行會議。人力資源部門負責收集及管理人力資源數據，並就薪酬結構與個別執行董事及高級管理人員的薪酬待遇向薪酬委員會作出建議，以供其考慮。薪酬委員會須就該等建議作出考慮及諮詢主席及／或董事會。

於截至二零二一年十二月三十一日止年度，薪酬委員會舉行一次會議，以檢討董事及高級管理層的薪酬待遇並提出建議，就制定董事薪酬政策訂立正規而具透明度的程序及評估執行董事表現及批准其各自服務合約條款。

截至二零二一年十二月三十一日止年度按組別劃分的應付高級管理層成員薪酬載列如下：

Remuneration bands	薪酬組別	Number of individuals 人數
HK\$500,001 to HK\$1,000,000	500,001 港元至 1,000,000 港元	1

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Further particulars relating to Directors' emoluments and the five highest paid individuals as required to be disclosed pursuant to Appendix 15 to the Listing Rules are set out in Note 10 and Note 28 to the consolidated financial statements.

Corporate Governance Function

The Board is responsible for performing the corporate governance duties and determining the relevant policies of the Company, which includes formulating and reviewing the Group's policies and practices on corporate governance, reviewing and monitoring the training and continuous professional development of the Directors and the senior management, reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements, formulating, reviewing and monitoring the code of conduct, guidelines and compliance manual applicable to employees and Directors, and reviewing the Group's compliance with the CG Code and disclosures in this Corporate Governance Report. The Board reviewed and discussed the corporate governance policy of the Company and was satisfied the effectiveness of its corporate governance policy. The board considered to set up a corporate governance committee to review the corporate governance policy and the practices of an issuer.

RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board and the Directors

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and complying with other financial disclosures required under the Listing Rules and other regulatory requirements.

The Directors also acknowledge their responsibilities for preparing the financial statements of the Company for the year ended 31 December 2021.

Auditor's Statement

The statement of the external auditor of the Company about its reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" in pages 103 to 110.

Senior Management

The senior management has provided the Board with sufficient explanation and necessary information to enable the Board to make an informed assessment of financial and other information tabled before the Board for approval.

Monthly updates have also been provided by the senior management to all members of the Board to enable proper discharge of duties by the Board as a whole as well as each member individually by giving them balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail.

根據上市規則附錄 15 須予披露有關董事酬金及五名最高薪人士的進一步詳情，載於綜合財務報表附註 10 及附註 28。

企業管治職能

董事會負責履行本公司的企業管治職責及決定相關政策包括制定及檢討本集團於企業管治方面的政策及常規、檢討及監察董事及高級管理層的培訓及持續專業發展，檢討及監察本集團的政策及常規是否符合法律及監管要求，制定、檢討及監察員工及董事的操守準則、指引和合規手冊，以及檢討本集團遵守企業管治守則的情況及在本企業管治報告內所作的披露。董事會已審閱及討論本公司的企業管治政策，並對其企業管治政策的效用感到滿意。董事會考慮成立企業管治委員會，以審閱企業管治政策及發行人慣例。

有關財務報表的責任

董事會及董事

根據上市規則及其他監管要求，董事會須對年報及中期報告、上市規則與其他監管規則所規定的內幕消息公佈負責提呈均衡、清晰及易於理解的評估及遵守其他財務資料的披露。

董事亦明瞭彼等編製本公司截至二零二一年十二月三十一日止年度財務報表的責任。

核數師聲明

本公司的外聘核數師有關彼等申報財務報表責任的聲明載於第 103 至 110 頁「獨立核數師報告」。

高級管理層

高級管理層已向董事會提供充分的解釋及必要的資料，讓董事會可以就提交給其批准的財務及其他資料，作出有根據的評審。

高級管理層亦已每月向董事會全體成員提供更新資料，載列有關本公司的表現，財務狀況及前景的公正及易於理解的評估，內容足以讓董事會妥當履行職責。

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RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the overall responsibility for the establishment, maintenance and review of the Group's internal control system to safeguard shareholders' investments and the assets of the Group. The internal control system of the Group aims to facilitate effective and efficient operation which in turn minimizes the risks to which the Group is exposed. The system can only provide reasonable but not absolute assurance against misstatements or losses.

Risk Management

The Group recognises that good risk management is essential for the long-term development on the Group's business. Management is responsible for establishing, implementing, reviewing and evaluating a sound and effective internal control system underpinning the risk management framework. All employees of the Group are committed to implement the risk management framework into the daily operation. The system comprises the following phases:

- Identification: Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
- Analysis: Analyze the existing control, likelihood and consequence of risks and evaluate the risk portfolio accordingly.
- Management: Consider the risk responses, ensure effective communication to the Board and on-going monitor the residual risks.

During the Reporting Period, the Group has identified the following risks and implemented relevant risk mitigation plans, details of which are set out as follows:

- The sales and profitability of the Group's products are dependent on its customers' business performance. The Group's five largest customers accounted for an aggregate of 59% and 64% of its revenue for the two years ended 2021 and 2020, respectively, and if there is any decrease in its business or if the Group fails to maintain its relationship with them or any of them or other key customers, this could adversely affect its business, results of operations, financial condition and prospects. To diversify the business risk, the Group has been active in seeking new markets and clients during the Reporting Period.

風險管理及內部監控

董事會對建立、維持及檢討本集團的內部監控系統負有全面責任，以保障股東投資及本集團資產。本集團的內部監控系統旨在促進有效及高效營運，進而盡量減低本集團面臨的風險。制度僅能就失實聲明或損失提供合理但非絕對的保證。

風險管理

本集團深明良好風險管理對本集團業務的長期發展至為重要。管理層負責設立、執行、檢討及評估健全有效的內部監控系統，並以此為風險管理框架的基礎。本集團全體僱員致力於實施風險管理框架，使之融入日常營運中。系統包括以下階段：

- 識別：識別風險所有權、業務目標及會影響達成目標的風險。
- 分析：分析現時風險監控、可能性及後果，並評估風險組合。
- 管理：考慮風險應對、確保與董事會可有效溝通，並繼續監察餘下風險。

於報告期間，本集團已識別下列風險及實施相關風險緩減計劃，詳情列載如下：

- 本集團產品的銷售及盈利能力依賴於客戶的業務表現。截至二零二一年及二零二零年止兩個年度，本集團的五大客戶分別佔其收益合共59%及64%，倘本集團的業務有任何下降或本集團未能與任何該等客戶或其他主要客戶維持關係，本集團的業務、經營業績、財務狀況及前景將受到不利影響。為分散業務風險，本集團於報告期間一直積極尋找新市場及客戶。

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— The Group's profitability may be adversely affected by the fluctuations of raw material prices. The raw materials the Group uses in the manufacturing process are primarily forged rings, steel balls and spacers, of which forged rings accounted for most of the Group's total purchases. For the year ended 31 December 2021, the total purchases of forged rings accounted for approximately 12% of the total purchases of raw materials for the year. The Group's forged rings are primarily made from gear steel and carbon round steel. Nearly all of the Group's raw materials are sourced from suppliers based in the PRC. There are many factors which can cause fluctuation in the price of raw materials from time to time, in particular the economic conditions in the PRC, supply and demand of raw materials and international trade. To diversify the business risk, the Group has been taking some proactive approaches to unexpected change in raw material prices such as understanding the actual production capacity and the historical record of price change.

Internal Control

The Group does not have an internal audit function as the Board has reviewed the effectiveness of the internal control system of the Company and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. The situation will be reviewed from time to time. The Group has engaged an external consulting firm, Infinity Concept Ripple Limited (the "**Internal Control Adviser**"), as the Group's internal control adviser to conduct independent internal control review for the Year.

Such review is conducted annually and cycles reviewed are under a rotation basis. The scope of review was previously determined and approved by the Board. The Internal Control Adviser has reported findings and areas for improvement to the Audit Committee and management. The Board and Audit Committee were of the view that there was no material deficiency in the internal control system. All recommendations from the Internal Control Adviser are properly followed by the Group to ensure that they are implemented within a reasonable period of time. The Board therefore considered that the risk management and internal control systems are effective and adequate.

Handling and Dissemination of Inside Information

The Company has established and maintained procedures and internal controls for the handling and dissemination of insider information. The Company has adopted a code of conduct for dealing in the securities of the Company by the directors in accordance with Appendix 15 of the GEM Listing Rules. Other employees of the Group who are likely to be in possession of inside information of the Company are also subject to dealing restrictions. Any inside information and any information which may potentially constitute inside information is promptly identified, assessed and escalated to the Board and for the Board to decide on the need for disclosure. Inside information and other information which is required to be disclosed pursuant to the GEM Listing Rules will be announced on the respective websites of the Stock Exchange and the Company.

— 本集團的盈利能力可能受到原材料價格波動的不利影響。本集團在生產過程中使用的原材料主要為環鍛件、鋼球及墊片，其中環鍛件佔大部分的總採購額。於截至二零二一年十二月三十一日止年度，環鍛件的總採購佔本年度原材料總採購額的約12%。本集團的環鍛件主要由齒輪鋼及碳圓鋼製成。本集團的所有原材料幾乎均採購自中國的供應商。導致原材料價格不時波動的因子有許多，當中以中國經濟狀況、原材料供需情況及國際貿易尤甚。為分散業務風險，本集團已採取若干方法主動處理預料之外的原材料價格變動，譬如了解實際產能及過往價格變動記錄。

內部監控

本集團並無設立內部審核部門，因董事會已檢討本公司內部監控系統之有效性，且認為因應本集團業務之規模、性質及複雜程度，目前毋須於本集團設立內部審核部門。有關狀況將不時作出檢討。於本年度，本集團已委聘外部顧問公司集思廣益有限公司為內部監控顧問（「**內部監控顧問**」），以進行獨立內部監控檢討。

該項檢討每年進行並依環節輪流審核。檢討範圍先前已由董事會制定及審批。內部監控顧問已向審計委員會及管理層匯報結果及需改進之範疇。董事會及審計委員會認為，內部監控系統並無重大缺失。本集團將適當跟進內部監控顧問的全部建議，並確保於合理時間內落實執行。因此，董事會認為，風險管理及內部監控系統有效且足夠。

內幕消息的處理及傳播

本公司已建立並維持處理及傳播內幕消息的程序及內部控制。本公司已根據GEM上市規則附錄15採納董事買賣本公司證券的行為守則。本集團其他可能擁有本公司內幕消息的僱員亦須遵守有關交易限制。任何可能構成內幕消息的內幕消息及任何資料將即時識別、評估並上報董事會，以供董事會決定是否須予披露。內幕消息及其他根據GEM上市規則須予披露的資料將在聯交所及本公司各自的網站上公佈。

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AUDITOR'S REMUNERATION

The remuneration paid to the external auditor of the Company in respect of the Group's annual audit services and audit services for the subsidiaries of the Company for the year ended 31 December 2021 amounted to HK\$1,050,000, and those in relation to non-audit service was HK\$50,000.

COMPANY SECRETARY

The Company has appointed Mr. Chan Ho Chee Gilbert, who is an employee of the Company, as its Company Secretary. He is a member of CPA Australia. He confirmed that he has taken no less than 15 hours of relevant professional training for the year ended 31 December 2021. The biography of Mr. Chan Ho Chee Gilbert is set out in the section headed "Directors and Senior Management" of this report.

SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

As one of the measures to safeguard shareholders' interest and rights, separate resolutions on each and every substantial issue can be considered and proposed to be passed by shareholders at the shareholders' meetings including the election of individual directors. All resolutions put forward at a shareholders' meeting will be voted by poll pursuant to the GEM Listing Rules and the poll voting results will be posted on the website of the Stock Exchange and the Company's website after the relevant shareholders' meeting.

(a) Procedures for shareholders to convene an extraordinary general meeting ("EGM")

Shareholder(s) holding, as at the date of deposit of the requisition for a EGM of not less than one-tenth of the paid up capital of the Company carrying the right to vote at general meetings of the Company may, by written requisition to the Board or the Company Secretary, require the Directors to call an EGM for the transaction of businesses specified in the requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such EGM, the requisitioner(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to requisitioner(s) by the Company.

(b) Procedures for putting forward proposals at General Meetings

There is no provision allowing shareholders to move new resolutions at the general meetings under the Companies Law (Revised) of the Cayman Islands. However, pursuant to the Articles of association, shareholders who wish to make proposals or move a resolution may convene an EGM in accordance with the "Procedures for Shareholders to convene an EGM" set out above.

核數師酬金

本公司就截至二零二一年十二月三十一日止年度本集團的年度核數服務及本公司附屬公司的核數服務向外聘核數師支付的酬金為1,050,000港元，與非核數服務有關的酬金則為50,000港元。

公司秘書

本公司已委任本公司員工陳浩賜先生為公司秘書。彼為澳洲會計師公會會員。彼已確認，截至二零二一年十二月三十一日止年度，彼已接受至少15小時的相關專業培訓。陳浩賜先生的履歷載於本報告「董事及高級管理層」一節。

股東權利及投資者關係

作為其中一項保障股東利益及權利的措施，股東可於股東大會就將予考慮及建議通過的各項重大議題提呈獨立決議案。根據GEM上市規則，於股東大會上提呈的所有決議案將以按股數投票方式表決，而投票表決結果將於相關股東大會結束後在聯交所網站及本公司網站刊載。

(a) 股東召開股東特別大會（「股東特別大會」）的程序

於遞呈股東特別大會要求日期持有本公司有權於本公司股東大會上投票的繳足股本不少於十分之一之股東可透過向董事會或秘書發出書面要求，要求董事召開股東特別大會，以處理有關要求中指明的事項。該大會須於作出該要求後兩個月內召開。倘於遞交要求後21日內，董事會未有召開該大會，則遞交要求人士可自行以同樣方式召開大會，而遞呈要求人士因董事會未有召開大會而產生的所有合理開支應由本公司向要求人償付。

(b) 於股東大會上提呈建議的程序

開曼群島公司法（經修訂）並無條文准許股東於股東大會上動議新決議案。根據組織章程細則，有意提呈建議或動議決議案的股東可根據上文所載「股東召開股東特別大會的程序」召開股東特別大會。

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(c) Procedures for shareholders to send enquires to the board

Shareholders may send their enquiries and concerns to the Board and/or the Company Secretary by addressing them to the principle place of business of the Company in Hong Kong at Unit 1226B, 12/F, Star House, No. 3 Salisbury Road, Kowloon, Hong Kong by post for the attention of the Board and/or the Company Secretary.

(d) Communication with Shareholders and Investors

The Company has adopted a shareholder communication policy with the objective of providing the shareholders of the Company with information about the Company and enabling them to engage actively with the Company and exercise their rights as shareholders in an informed manner.

The Company has established a range of communication channels between itself and its shareholders, and investors. These include answering questions through the AGM, the publication of annual, interim and quarterly reports, notices, announcements and circulars, the Company's website at www.blg.hk and meetings with investors and shareholders. News updates of the Group's business are also available on the Company's website.

Share registration matters shall be handled by the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Center, 183 Queen's Road East, Hong Kong.

DIVIDEND POLICY

Pursuant to the CG Code, the Company should have a dividend policy and disclose such policy in its annual report. The Company has adopted a dividend policy (the "Dividend Policy"), the summary of which is set out below:

(a) In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia:

- the Group's financial conditions;
- the Group's actual and expected financial performance;
- the Group's cash flow, working capital requirements, capital expenditure requirements and future expansion plans;
- the Group's retained earnings and distributable reserves;
- the Group's liquidity position;

(c) 股東向董事會提出查詢的程序

股東如欲向董事會及／或公司秘書提出查詢及疑問，可發送至本公司的香港主要營業地點（香港九龍梳士巴利道3號星光行12樓1226B室），並註明收件人為董事會及／或公司秘書。

(d) 與股東及投資者溝通

本公司已採納一項股東通訊政策，旨在向本公司股東提供有關本公司的資料，並讓彼等可按知情方式積極參與本公司及行使彼等作為股東的權利。

本公司已設立多個渠道與其股東及投資者溝通，包括於股東週年大會回答提問、刊發年報、中期報告及季度報告、通告、公佈及通函、本公司網站(www.blg.hk)以及與投資者及股東會面。本集團業務的最新消息亦可在本公司網站上查閱。

股份過戶登記事宜由本公司之香港股份過戶登記分處卓佳證券登記有限公司處理，地址為香港皇后大道東183號合和中心54樓。

股息政策

根據經修訂的企業管治守則，本公司應制定股息政策，並於年報中披露有關政策。本公司已採納股息政策（「股息政策」），其概要載列如下：

(a) 於決定是否建議派付股息及釐定股息金額時，董事會須考慮（其中包括）：

- 本集團財務狀況；
- 本集團實際及預期財務表現；
- 本集團現金流量、所需營運資金、所需資本開支及未來擴展計劃；
- 本集團保留盈利及可供分派儲備；
- 本集團流動資金狀況；

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- general economic conditions, future prospects of the Group and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
 - other factors that the Board may consider appropriate.
- (b) The payment of the dividend by the Company is also subject to any restrictions under the Companies Law of the Cayman Islands and the Articles of Association of the Company.
- (c) The Board endeavours to strike a balance between the Shareholders' interests and prudent capital management with a sustainable Dividend Policy.
- 一般經濟狀況、本集團前景以及其他可能對本集團營運及財務表現構成影響的內部及外部因素；
 - 董事會認為適合的其他因素。
- (b) 本公司派付股息亦受開曼群島公司法及細則之任何限制所規限。
- (c) 董事會致力執行以可持續股息政策，於股東利益與審慎資本管理之間取得平衡。

Constitutional Documents

There has been no change in the Company's constitutional documents during the Reporting Period and up to the date of this report.

章程文件

於報告期間及直至本報告日期，本公司的章程文件並無任何更改。

On behalf of the Board

CHAN Yuk Pan

Chairman and Chief Executive Officer

Hong Kong, 22 March 2022

代表董事會

主席兼行政總裁

陳煜彬

香港，二零二二年三月二十二日

Environmental, Social and Governance Report

環境、社會及管治報告

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DEFINITION AND INTERPRETATION

Throughout this report, the following terms, except where the context otherwise requires, have the following meanings:

- **Group** : refers to Best Linking Group Holdings Limited and its subsidiaries
- **ESG** : Environmental, social and governance
- **Appendix 20 or ESG Reporting Guide** : refers to the Appendix 20 — Environmental, Social and Governance Reporting Guide of the GEM Listing Rules
- **GEM** : GEM of the Stock Exchange of Hong Kong Limited
- **Hong Kong** : The Hong Kong Special Administrative Region of the People's Republic of China, including Hong Kong Island, Kowloon and the New Territories
- **PRC** : The People's Republic of China
- **KPIs** : Key Performance Indicators
- **GEM Listing Rules** : The Rules Governing the Listing of Equity Securities on GEM of the Stock Exchange of Hong Kong Limited
- **Stock Exchange** : The Stock Exchange of Hong Kong Limited

釋義及詮釋

於本報告內，除文義另有所指外，下列詞彙具以下涵義：

- **本集團** : 永聯豐集團控股有限公司及其附屬公司
- **環境、社會及管治** : 環境、社會及管治
- **附錄20或環境、社會及管治報告指引** : GEM上市規則附錄20—《環境、社會及管治報告指引》
- **GEM** : 香港聯合交易所有限公司GEM
- **香港** : 中華人民共和國香港特別行政區，包含香港島、九龍及新界
- **中國** : 中華人民共和國
- **關鍵績效指標** : 關鍵績效指標
- **GEM上市規則** : 香港聯合交易所有限公司GEM證券上市規則
- **聯交所** : 香港聯合交易所有限公司

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OVERVIEW

(I) Purpose

Best Linking Group Holdings Limited (the “**Company**”), together with its subsidiaries (collectively, the “**Group**”), successfully listed on the GEM of the Stock Exchange of Hong Kong Limited (“**HKEx**”) on 15 November 2019. In accordance with the requirements of HKEx, listed companies are required to provide an Environmental, Social and Governance Report (“**ESG Report**”). This is the third ESG Report since the listing which mainly introduces the Group’s vision, policies and measures by establishing the key performance indicators (“**KPIs**”), and reports its performance regarding environmental and social issues for internal assessment and management control, and communicating to the internal and external stakeholders.

(II) Scope of Report

The Group is primarily engaged in the manufacturing of slewing rings, which are rotational-rolling element bearing used in large sized machinery and equipment, such as construction machinery and equipment, wind turbines, robotics and military equipment. We produce our products on an Original Design Manufacturer (“**ODM**”), Original Equipment Manufacturer (“**OEM**”) and Original Brand Manufacturer (“**OBM**”) basis from our manufacturing facility in Dongguan City, Guangdong Province, the People’s Republic of China (the “**PRC**”) (the “**Dongguan Factory**”), and we are compliant with the Japanese Industrial Standards and ISO 9001:2015 quality standards. The products are sold both in the PRC and overseas to general wholesalers and distributors and to leading overseas — mostly Japanese and local equipment manufacturers. Each business segment of the Group has a different impact on the environment and society. For the purpose of this report, the Group herein will review its core business activities and operations in terms of their environmental and social objectives, policies and practices, and their impacts and performances.

Only the Dongguan Factory has direct supply of freshwater, whereas, the Hong Kong administrative office (the “**Hong Kong Office**”) is supplied through common amenities in the leased office spaces for our employees’ daily general hygiene needs. Besides, our Hong Kong Office with 300 square feet do not consume much electricity and therefore the water and electricity amount used is determined to be immaterial. Hong Kong Office produces, emits, or discharges immaterial amounts of polluted water, hazardous and non-hazardous wastes. Therefore, this ESG report only covers the main operations and activities of the Dongguan Factory and the number of employees recorded in the Hong Kong Office for the 2021 Reporting Period, unless otherwise stated.

概覽

(I) 目的

永聯豐集團控股有限公司(「**本公司**」)聯同其附屬公司(統稱為「**本集團**」)於二零一九年十一月十五日在香港聯合交易所有限公司(「**香港聯交所**」)GEM成功上市。上市公司必須按香港聯交所要求提交環境、社會及管治報告(「**環境、社會及管治報告**」)。此為本集團上市以來第三份環境、社會及管治報告，主要藉訂立關鍵績效指標(「**關鍵績效指標**」)以介紹本集團願景、政策及措施，同時報告其於環境及社會問題上的表現，藉此進行內部評估及管理控制，並向內部及外部持份者提供資訊。

(II) 報告範圍

本集團主要從事迴轉支承製造，迴轉支承乃用於建造機械及設備、風力發動機、機械人及軍事設備等大型機械設備的旋轉滾動體軸承。我們於中華人民共和國(「**中國**」)廣東省東莞市的生產設施(「**東莞工廠**」)以原設計製造(「**ODM**」)、原設備製造(「**OEM**」)及原品牌製造(「**OBM**」)形式生產產品，過程符合日本工業標準及ISO 9001:2015品質標準。該等產品銷售予中國及海外的一般批發及分銷商，以及海外(以日本為主)及本地的頂尖設備製造商。本集團各業務分部對環境及社會的影響各有不同。就本報告而言，本集團將從環境及社會目標、政策及慣例以及相關影響及表現的角度對核心業務活動及營運進行檢討。

只有東莞工廠有直接淡水供應，而香港行政辦事處(「**香港辦事處**」)通過在租賃的辦公空間的公共設備供給以滿足我們僱員的日常衛生需求。此外，我們的香港辦公室佔地300平方英尺，用電量不高，因此用水及用電量被認為不重要。香港辦事處產生、排放或排出的廢水、有害及無害廢物的數量不多。因此，除非另有說明，本環境、社會及管治報告僅涵蓋東莞工廠的主要營運及活動以及香港辦事處於二零二一年報告期錄得的員工人數。

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(III) Basis of Preparation

This is our third ESG Report since our listing on the GEM of the HKEx and is in accordance with the ESG Reporting Guide (the “**ESG Reporting Guide**”) outlined in Appendix 20 of the GEM Listing Rules and Guidance Governing the Listing of Securities on HKEx. The content of this report includes two main subject areas, as outlined and required by the ESG Reporting Guide, namely Area A — Environmental and Area B — Social and further includes the disclosure of climate-change related issues, which have or may impact our Group.

This ESG Report, which has been reviewed and approved by the board of the Company (the “**Board**”), both reviews and reports the core business operations and activities of the Group and follows the principles of materiality, quantitative, balance and consistency to disclose relevant statistics and information. The ESG Report was compiled in compliance with the “comply or explain” provisions in the ESG Reporting Guide.

(IV) Reporting Period

This report is for the period from 1 January 2021 to 31 December 2021 (the “**2021 Reporting Period**”).

(V) Corporate Goals and Visions

The Group’s vision is to be a leading manufacturer and an “one-stop service” provider on a sustainable basis of high-quality slewing rings in both the PRC and worldwide. We are committed to providing these products with a reasonable return on investments to our shareholders, whilst being a socially and environmentally responsible company and providing a safe, healthy and pleasant working environment to our employees.

(VI) ESG Management

Throughout the 2021 Reporting Period, the Group maintained the same ESG management structure and process as the last reporting period (from 1 January 2020 to 31 December 2020, “**2020**” or “**2020 Reporting Period**”). The Board of the Group is responsible for formulating and setting goals and targets, approving strategic direction and policies, and monitoring performance including ESG issues.

(III) 編制基準

此為本集團於香港聯交所GEM上市以來第三份環境、社會及管治報告，根據GEM上市規則附錄20所載列《環境、社會及管治報告指引》(「**環境、社會及管治報告指引**」)及香港聯交所證券上市指引編制。本報告內容涵括環境、社會及管治報告指引所載列及要求的兩個主要主題範疇，即範疇A — 環境及範疇B — 社會，另外進一步披露對本集團已經或可能造成影響的相關氣候變化問題。

本環境、社會及管治報告經本公司董事會(「**董事會**」)審閱及批准，內容回顧及報告本集團核心業務的營運及活動，並遵循重要性、量化、平衡及一致性原則披露有關統計數據及資訊。環境、社會及管治報告乃按照環境、社會及管治報告指引的「不遵守就解釋」規定編製。

(IV) 報告期

本報告的報告期為二零二一年一月一日至二零二一年十二月三十一日(「**二零二一年報告期**」)。

(V) 企業目標及願景

本集團的願景乃以可持續形式於中國及全球各地成為高質量迴轉支承的頂尖製造商及「一站式服務」供應商。除專注於提供產品，藉此為股東帶來合理的投資回報外，本集團亦致力履行社會及環境責任，並為員工提供安全、健康及愉快的工作環境。

(VI) 環境、社會及管治管理

於整個二零二一年報告期，本集團保持與上一個報告期(自二零二零年一月一日至二零二零年十二月三十一日，「**二零二零年**」或「**二零二零年報告期**」)相同的環境、社會及管治管理架構及程序。本集團董事會負責制定及設定目標及指標，批准戰略方向及政策，並監督包括環境、社會及管治問題在內的表現。

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Our ESG strategies, management policy and approach are based on compliance with relevant legal and regulatory requirements, the principle of sustainability and opinions from our key stakeholders. The Group's visions and goals, and the ESG management policy and approach can be summarized in the following statements.

1. The Group is committed to be successful in undertaking its business, whilst providing strong returns to our investors and supporters, a healthy and safe working environment to our employees and helping to provide sustainable developments for the local communities and the Group.
2. The Board from time to time approves and updates strategies and policies which are incorporated with the related environmental and social issues stated in the ESG Reporting Guide. The Board has assigned each department to implement ESG policies in accordance with the respective operations and activities. Through their normal and routine channels, all departments report directly to the Group's chief executive officer ("CEO"), who has the overall responsibility to ensure that the Board's approved strategies and policies are implemented. The departments are responsible for exploring and developing KPIs, where appropriate and necessary, in accordance with the Group's policies and goals.
3. It is the duty of the Group's CEO, chief operating officer ("COO") and his operation managers (collectively, the "**Management Team**") to examine and address all the environmental and social issues detailed in the aspects and areas in the ESG Reporting Guide.

Overall, the Group takes an active role in ensuring sustainable and environmentally friendly production and operations by employing various measures, which are compliant with relevant laws, operating practices and standards. The Group continues to uphold our established environmental protection and management system. The adoption and application of the Quality Management System (ISO 9001:2015), which the Group has certified since 2008, has proven to be effective in ESG management.

本集團的環境、社會及管治策略、管理政策及方針以符合相關法律及法規要求、可持續性原則以及主要持份者意見為基礎。下文概述本集團的願景、目標以及環境、社會及管治管理政策及方針。

1. 除專注於成功履行業務外，本集團亦致力為投資者及支持者提供穩健回報，為員工提供健康及安全的工作環境，以及為本地社區及本集團的可持續發展作出貢獻。
2. 董事會不時審批及更新與環境、社會及管治報告指引所述環境及社會相關問題有緊密聯繫的策略及政策。董事會已指派各部門根據各自的營運及活動實施相應的環境、社會及管治政策。所有部門均通過正常及常規渠道直接向本集團行政總裁（「行政總裁」）匯報，行政總裁全權負責確保獲董事會批准的策略及政策得以實施。各部門負責根據集團政策及目標在適當及必要情況下探討及訂立關鍵績效指標。
3. 本集團行政總裁、營運總監（「營運總監」）及其營運管理人（統稱「**管理團隊**」）負責檢視及處理環境、社會及管治報告指引所詳述，涵蓋各有關層面及範疇的所有環境及社會問題。

總括而言，本集團採取符合相關法律、經營慣例及標準的措施，積極行動，務求以可持續及環保的方式生產及營運。我們將秉承本集團行之有效的環境保護及管理體系。本集團自二零零八年起已通過品質管理體系（ISO 9001:2015）認證，採用及應用有關體系在環境、社會及管治管理方面成效顯著。

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STAKEHOLDERS COMMUNICATION AND MATERIALITY

The Group maintains regular contact with the internal and external stakeholders to gauge their views and opinions regarding the Group's operations and performance. After collecting the views and opinions, the CEO and/or COO will carry out materiality assessments internally with the related managers and externally with related stakeholders through various means of communication, such as liaison groups, panel discussions, workshops, on-site visits, company websites, emails and direct enquiry phones, etc. For 2021, the Group and the stakeholders have identified the following material areas and aspects:

- Environmental practices and their performance;
- Commitments to employees;
- Recruiting, engaging and retaining talents;
- Commitments to customers;
- Building trusts through quality and reliability of services and products customers;
- Protecting customers privacy;
- Anti-corruption prevention; and
- Community support and contribution.

Through the Group's established management structure, process, policies and guidelines as aforementioned and described, the above ESG material areas and aspects have been strictly managed and monitored and herein are summarized below:

A. ENVIRONMENTAL AREAS AND ASPECTS

1.1 Environmental Areas Overview

As the Group understands its obligations, we have implemented a company-wide "Environmental Protection and Sustainability Policy and Procedures" which aims to achieve a balance between undertaking business, maximize returns to our shareholders, ensuring our operations and activities minimise any adverse impacts on the environment, and being energy, water and resource usage efficient.

持份者溝通及重要議題

本集團與內部及外部持份者保持定期聯繫，以評估彼等對本集團營運及表現的意見。行政總裁及／或營運總監會於收集有關觀點及意見後，以聯絡小組、小組討論、工作坊、實地拜訪、公司網頁、電郵及直接電話查詢等溝通方式，與內部的相關經理及外部的相關持份者進行重要性評估。於二零二一年，本集團及持份者已識別出以下重要範疇及層面：

- 環境常規及其績效；
- 對員工的承諾；
- 招募、吸引及挽留人才；
- 對客戶的承諾；
- 藉服務及產品的品質及可靠性建立客戶信任；
- 保障客戶私隱；
- 反貪污；及
- 社區支援及貢獻。

本集團透過上述行之有效的管理架構、程序、政策及指引，嚴格管理上文所述的各環境、社會及管治重要範疇及層面，概述如下：

A. 環境範疇及層面

1.1 環境範疇概覽

本集團深明本身責任，遂於全公司實行「環境保護及可持續發展政策及程序」，以期於履行業務、盡量提升股東回報、確保盡量減低營運及活動對環境產生的負面影響及有效利用能源、水及其他資源各方面取得平衡。

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Our “Environmental Protection and Sustainability Policy and Procedures” is summarised below:

Purpose

To establish and maintain policies and procedures to identify, evaluate and determine the significance of environmental aspects and impacts by and on the company and ensuring compliance with all relevant national and local environmental laws and regulations including but not limited to:

- Environmental Protection Law of the PRC (中華人民共和國環境保護法);
- Law of the PRC on Environmental Impact Assessment (中華人民共和國環境影響評價法);
- Water Pollution and Control Law of the PRC (中華人民共和國水污染防治法);
- Atmospheric Pollution and Control Law of the PRC (中華人民共和國大氣污染防治法);
- Law of the PRC on the Prevention and Control of Pollution from Environmental Noise (中華人民共和國環境噪聲污染防治法);
- Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste (中華人民共和國固體廢物污染環境防治法);
- Regulations on the Administration of Construction Project Environmental Protection (建設項目環境保護管理條例); and
- Cleaner Production Promotion Law of the PRC (中華人民共和國清潔生產促進法).

Procedure

- (i) The Management Team shall identify and evaluate the environmental aspects for all work activities that are most likely to give rise to significant environmental impacts.
- (ii) The Management Team shall brainstorm internally and externally with other related parties and classify all the relevant work activities under normal, unusual and emergency situation as follows:

- Normal is defined as a routine activity or work that is carried out daily and is part of a process;
- Unusual refers to non-routine work that occurs under unexpected circumstances; and
- Emergency refers to an occurrence of an event that will cause a drastic impact or severity to the environment and immediate action has to be taken. For example: major leakage and spillage, fire, etc.

「環境保護及可持續發展政策及程序」概述如下：

目的

確立及維持政策及程序，藉此識別、評估及釐定環境相關層面的重要性、本公司造成及承受的影響，且務求符合所有相關之國家及地方環境法律及法規，包括但不限於：

- 《中華人民共和國環境保護法》；
- 《中華人民共和國環境影響評價法》；
- 《中華人民共和國水污染防治法》；
- 《中華人民共和國大氣污染防治法》；
- 《中華人民共和國環境噪聲污染防治法》；
- 《中華人民共和國固體廢物污染環境防治法》；
- 《建設項目環境保護管理條例》；及
- 《中華人民共和國清潔生產促進法》。

程序

- (i) 管理團隊應就最有可能對環境造成嚴重影響的工作活動的環境層面進行識別及評估。
- (ii) 管理團隊應於內部集思廣益，並於外部與各相關方通力合作，將所有相關工作活動劃分為正常、異常及緊急情況，具體如下：

- 正常指日常進行的常規活動或工作，屬程序一部分；
- 異常指於意外情況下出現的非常規工作；及
- 緊急指發生會造成嚴重環境災害，且須採取即時行動的事故，如重大洩漏或火災等。

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- (iii) When identifying the environmental aspects, all activities likely to cause environmental impact or improve general sustainability are considered including but not limited to the following:
- Gas emissions;
 - Water discharge;
 - Waste disposal;
 - Land contamination;
 - Sustainability and the efficient use of raw materials, energy, water and other natural resources;
 - Other local environmental issues; and
 - National and local laws and regulations.
- (iv) At least once every year, the Management Team shall review the environmental aspects. They shall also update regularly based on new laws and regulations, organizational work activities and processes or production systems or equipment, and also based on updated knowledge obtained through incidents/accidents, organizational or other requirements.
- (v) For each environmental aspect, the Management Team shall identify and assess the environmental impacts, and the following shall be considered:
- Global warming;
 - Water pollution;
 - Air pollution;
 - Waste generation;
 - Land/soil contamination;
 - Noise pollution; and
 - Natural resources conservation.
- (iii) 於識別環境層面時，所有可能影響環境或增進整體可持續性的活動均有計及，包括但不限於：
- 廢氣排放；
 - 污水排放；
 - 廢物處置；
 - 土地污染；
 - 可持續性以及有效利用原材料、能源、水及其他自然資源；
 - 其他本地環境問題；及
 - 自然資源保育。
- (iv) 管理團隊應最少每年檢視環境層面一次，並根據新增法律及規定、機構內工作活動及程序或生產系統及設備並參照通過事故／意外獲得的最新知識、機構內或其他要求，定期更新相關層面。
- (v) 管理團隊應參照以下各頂，於各環境相關層面識別及評估其環境影響：
- 全球暖化；
 - 水污染；
 - 空氣污染；
 - 廢物產生量；
 - 土地／泥土污染；
 - 噪音污染；及
 - 自然資源保護。

1.2 Environmental Aspects

The Group advocates the importance of sustainable development in relation to our on-going business operations and activities. We have employed various measures to ensure full compliance with all relevant rules and regulations regarding emissions, effluent water and solid waste discharge and to ensure minimal impact to the environment. All of our employees are made aware of their respective roles and responsibilities in conserving energy and natural resources and we regularly assess new production equipment and processes and maintain compliance with Quality Management Systems such as ISO 9000:2015, to reduce pollution and improve sustainability.

1.2 環境層面

本集團提倡於日常業務營運及活動中可持續發展的重要。我們已採用多項措施，以確保全面遵守有關排放、廢水及固體廢物處置的所有相關規則及法規，務求將環境影響降至最低。全體員工均清楚彼等於節約能源及自然資源方面的相應角色及責任，我們亦對新生產設備及程序進行定期評估，務求符合ISO 9000:2015等品質管理體系，藉此減少污染及增進可持續性。

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During the 2021 Reporting Period, the Group was not subject to any confirmed cases for breaching environmental legislation in relation to emissions and waste discharge or other environmental issues that could have an adverse impact on the local environment.

A1: Emissions and Wastes

Indirect Emissions

Indirect emission, mainly carbon dioxide (“CO₂”) through the use of electricity for our production, remains to be the main source of greenhouse gas emissions.

In 2020, a lockdown period was imposed by the China Government to curb the widespread pandemic of the COVID-19. Besides, the Group implemented the “split team arrangement”, of which part of the employees in the Dongguan Factory was working from home and part of the employees was working in the office, to reduce physical interactions amongst employees and so reducing the risk of spreading COVID-19 disease. In 2021, as the pandemic is contained, a higher level of operating activity is recorded in the Dongguan Factory.

During the 2021 Reporting Period, as explained in the aforementioned “Scope of Report” section, electricity consumption fees of the Hong Kong Office is included in the office management fees, we therefore do not have the consumption data for the Hong Kong Office. The table below recorded and compared the 2021 Reporting Period and the 2020 Reporting Period’s resultant indirect air pollutant emissions:

二零二一年報告期內，本集團概無違反任何有關排放及廢物棄置或其他可能對當地環境造成負面影響的環境問題的環境法規，並因此遭正式起訴。

A1：排放及廢物

間接排放

因生產用電產生以二氧化碳(「二氧化碳」)為主的間接排放仍為溫室氣體排放的主要來源。

於二零二零年，中國政府實施封鎖期，以遏制COVID-19疫情的大範圍傳播。此外，本集團實施「分隊安排」，即東莞工廠的部分員工在家工作，部分員工在辦公室工作，以減少員工之間的互動，從而降低COVID-19疾病傳播的風險。二零二一年，隨著疫情得到控制，東莞工廠的經營活動將達到更高水平。

於二零二一年報告期，如前述「報告範圍」一節所述，香港辦事處的耗電費納入辦公室管理費，因此我們並無香港辦事處的消耗數據。下表記錄及比較二零二一年報告期及二零二零年報告期所產生的間接空氣污染物排放量：

Items of emissions 排放項目	Unit 單位	Year ended 31 December 截至十二月三十一日止年度		Changes 變動
		2021 二零二一年	2020 二零二零年	
CO ₂ indirect emission 二氧化碳間接排放				
— Dongguan Factory ⁽¹⁾ — 東莞工廠 ⁽¹⁾	Tonnes 噸	441.66	476.70	-7.35%
Intensity 密度				
— CO ₂ /employee in Dongguan Factory — 東莞工廠二氧化碳/僱員		5.89	6.36	-7.35%

Note 1: Emission factors for purchased electricity are based on data stated in “2012年中國區域電網平均二氧化碳排放因子”.

附註1：外購電力的排放系數乃基於「2012年中國區域電網平均二氧化碳排放因子」所載的數據。

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Compared to the 2020 Reporting Period, despite the increase in operations, due to the update of emission factor of electricity, the indirect CO₂ emission in the Dongguan Factory decreased slightly.

To reduce indirect CO₂ emissions, we have formulated a Climate Change Strategy that will continue to improve our energy saving practices including strictly controlling the electricity consumption of our production facility and investing in new production equipment and processes. We target to lower the indirect CO₂ emission per employee per year by 1–2% through the reduction of electricity consumption per employee.

Direct emissions

During the 2021 Reporting Period, we directly produced non-hazardous greenhouse gases (the "GHG") of CO₂ and hazardous sulphur oxides ("SO_x"), nitrogen oxides ("NO_x") gas, and particulate matters ("PM"), from the uses of fossil fuels including diesel fuel, lubricating oil and liquefied petroleum gas for forklift cars, machine tool cooling and welding.

The table below recorded and compared the 2021 Reporting Period and the 2020 Reporting Period's resultant direct air pollutant emissions in the Dongguan Factory:

與二零二零年報告期比較，儘管業務量增加，但由於電力排放系數的更新，東莞工廠的間接二氧化碳排放量略有下降。

為求降低二氧化碳的間接排放，我們已制定氣候變化對策，藉此持續改善節能常規，內容包括嚴格管控生產設施耗電量及投資新生產設備及程序。我們擬透過減少每名員工的用電量將每名員工每年的間接二氧化碳排放減少1–2%。

直接排放

二零二一年報告期內，我們因使用包括堆高機、機械工具冷卻及焊接機床用柴油、潤滑油及液化石油氣在內的化石燃料而直接產生無害溫室氣體（「溫室氣體」）（二氧化碳），以及有害的硫氧化物（「硫氧化物」）、氮氧化物（「氮氧化物」）和懸浮粒子（「懸浮粒子」）。

下表記錄及比較二零二一年報告期及二零二零年報告期在東莞工廠產生的直接空氣污染物排放量：

Items of emissions ⁽²⁾ 排放項目 ⁽²⁾	Unit 單位	Year ended 31 December 截至十二月三十一日止年度		
		2021 二零二一年	2020 ⁽³⁾ 二零二零年 ⁽³⁾	Changes 變動
Nitrogen Oxide (NO _x) 硫氧化物	Kilograms 千克	31.97	24.11	+32.59%
Sulfur Oxides (SO _x) 氮氧化物	Kilograms 千克	0.05	0.04	+33.01%
Particulate Matter (PM) 懸浮粒子	Kilograms 千克	3.16	2.39	+32.52%
CO ₂ direct emission 二氧化碳直接排放	Kilograms 千克	35,199.97	26,391.76	+33.37%
	Tonnes 噸	35.20	26.39	+33.37%

Note 2: Emission factors for calculations in this ESG Report were made reference to the "How to prepare an ESG Report-Appendix 2: Reporting Guidance on Environmental KPIs (version updated on 28 May 2021)" by The Stock Exchange of Hong Kong Limited, unless otherwise specified.

Note 3: As a result of our effort in improving data management, separate calculation for stationary combustion and mobile combustion for diesel fuel and lubricating oil was adopted since 2021 for better comparability and performance tracking. The 2020 figure is restated as data management improves.

附註2：除非另有說明，本環境、社會及管治報告中的排放系數乃參考香港聯合交易所有限公司的「如何準備環境、社會及管治報告一附錄二：環境關鍵績效指標匯報指引（二零二一年五月二十八日更新版本）」。

附註3：由於我們致力改善數據管理，自二零二一年起，對柴油及潤滑油的固定燃燒及移動燃燒進行單獨計算，以提高可比性及績效跟蹤。隨著數據管理的改善，二零二零年的數字將予重列。

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Compared to the 2020 Reporting Period, the increase of non-hazardous greenhouse gases was due to the increase in operating activity and consumption of fossil fuel during the 2021 Reporting Period. However, we have sub-contracted all of our logistical needs to external transport operators and have increased the utilization of electric driven production equipment. We have been reviewing and planning a gradual reduction of fossil fuels in order to reduce hazardous gas emissions by substituting electricity or other forms of sustainable energy. For the coming year, we target to reduce direct emissions especially those hazardous SO_x, NO_x, PM, and CO₂ by 1–2%.

Greenhouse Gas (“GHG”) Emissions

Greenhouse gases (“GHG”) include CO₂ and its non-hazardous equivalents including nitrous oxide and methane (collectively with CO₂, “CO₂e”). During the 2021 Reporting Period, the Group contributed 476.89 tonnes of CO₂e in the Dongguan Factory. The intensity was 6.36 CO₂e/employee. The breakdown of such emissions is listed as follows:

與二零二零年報告期相比，無害溫室氣體的增加乃由於在二零二一年報告期，經營活動及化石燃料的消耗增加所致。然而，我們已將所有的物流需求分包予外部運輸營運商，並提高電力驅動生產設備的使用率。我們一直在審查及計劃逐步減少化石燃料，以便通過替代電力或其他形式的可持續能源減少有害氣體排放。來年，我們的目標是將直接排放物，特別是有害的硫氧化物、氮氧化物、懸浮粒子及二氧化碳減少1至2%。

溫室氣體(「溫室氣體」)排放

溫室氣體(「溫室氣體」)包括二氧化碳及其保害等價物，包括一氧化二氮及甲烷(連同二氧化碳統稱「二氧化碳當量」)。於二零二一年報告期，本集團在東莞工廠貢獻476.89噸的二氧化碳。該密度為6.36二氧化碳當量/僱員。有關排放的明細如下：

Greenhouse Gas Emission 溫室氣體排放	Unit 單位	Year ended 31 December 截至十二月三十一日止年度		
		2021 二零二一年	2020 二零二零年	Changes 變動
Scope 1 (CO ₂ e) 範圍1(二氧化碳當量)	Tonnes 噸	35.23	26.42	+33.37%
Scope 2 (CO ₂ e) 範圍2(二氧化碳當量)	Tonnes 噸	441.66	476.70	-7.35%
Total (CO₂e) 總計(二氧化碳當量)	Tonnes 噸	476.89	503.12	-5.21%
Intensity 密度				
— CO ₂ e/employee — 二氧化碳當量/僱員		6.36	6.71	-5.21%

Water Pollution and Discharge

During the 2021 Reporting Period, as explained in the aforementioned “Scope of Report” section, water consumption fees of the Hong Kong Office is included in the office management fees, we therefore do not have the consumption data for the Hong Kong Office.

水污染及排放

於二零二一年報告期，如前述「報告範圍」一節所述，香港辦事處的用水費已納入辦公室管理費，因此我們並無香港辦事處的用水數據。

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Cooling water used in our production process is the main source of the Group's wastewater. We have adopted a closed circulating water recycling system, so most of the cooling water will be reused with minimal wastage. However, under PRC laws and regulations, all excess wastewater generation during our production process is required to be handled by a licensed wastewater treatment and disposal specialist. Water is also used for general living purposes in employees' dormitories, canteens and offices, and will be discharged through the public sewage system. The Group therefore does not hold any polluted water discharge data.

Noise and Light Pollution Emission

The Group does not generate any noise and light pollution to the surrounding neighbors as our business operations and activities are conducted inside our factory and offices, with a tailor-made building structure. Within our factory operation, in certain parts of the operation, noise is generated, but the extent is far below national and industry standard limits. To be cautious and to protect our workers, it is compulsory that protective equipment is worn at all times during production activities. During the 2021 Reporting Period, no complaints nor warning notices were received.

Hazardous and Non-Hazardous Wastes

The Group has developed a natural and pollution-free philosophy in its business where possible and has adopted the 3-R principle — to reduce, reuse and recycle. All employees are constantly reminded to adopt the 3-R principle in their handling and use of resources. Consideration is given to recycle and reuse in the various processes and stages of production. Procedures are in place for properly sorting out and storing the unused materials for resale or reuse. For example, in respect of the scrap metal produced from our production process, firstly, through new and improved production processes, we reduced the amount of scrap material produced, and secondly, scraps are not wasted and are recycled by being sold to approved scrap metal recyclers on a regular basis.

生產過程中使用的冷卻水為本集團廢水的主要來源。我們已採用密閉式循環水回收系統，大部分冷卻水均被重複使用並將浪費減至最少。然而，根據中國法律及規定，我們生產過程中產生的所有多餘廢水均須由持牌廢水處理及處置專家處理。員工宿舍、食堂及辦公室亦會因一般生活用途而用水，並經公共排污系統排出。因此，本集團概無任何污水排放資料。

噪音及光污染排放

本集團業務營運及活動於廠房及辦公室內進行，該等設施之建築結構專為本集團營運而設，因此並無對鄰近社區造成任何噪音及光污染。工廠營運的若干部分會產生噪音，惟程度遠低於國家及行業標準上限。為謹慎起見，亦為保護員工，彼等進行生產活動時必須時刻穿戴防護裝備。於二零二一年報告期，概無收到投訴或警告通知。

有害及無害廢物

本集團已建立自然及無污染理念並盡量將其運用於業務營運中，同時亦採用3R原則，即減少使用(reduce)、重複使用(reuse)及回收使用(recycle)，並時刻提醒全體員工於處理及使用資源時須恪守3R原則。生產的多個程序及階段均有計及回收使用及重複使用的因素，並已制定程序以妥善挑選及儲存可轉售或重複使用的物料。以生產過程中產生的廢金屬為例，首先，我們以經改良的新生產程序減少其生產量，其次，亦定期將其轉售予認可廢金屬回收商，藉此達致避免浪費及回收使用。

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The amount of hazardous wastes generated from our manufacturing operations is insignificant and poses no material impact to the environment.

Non-hazardous wastes are generated from both production operations and non-production operations. Non-hazardous wastes generated from the production processes are mainly packaging materials — namely affixed labels, plastic film and kraft paper. An insignificant amount of non-hazardous materials is also generated from non-production areas, such as supporting offices, dormitories and canteens. All such wastes are collected and disposed of by external waste collectors. The amount of non-hazardous wastes is stated in Section A2(iii).

Mitigation Measures and Reduction Initiatives

As analyzed above, the Group does not generate much hazardous and non-hazardous emissions and discharges. However, as a responsible corporation, we are conscious of the effects our operations and activities may have on the environment and constantly work on maximizing energy efficiency and minimizing emissions, wastes generation, disposal and discharges. We fully comply with all applicable environmental laws, rules and regulations and industrial standards in the markets we operate in. We comply with Quality Management Systems such as ISO 9000:2015, to reduce pollution and improve sustainability.

To combat global warming and to reduce the generation of GHG emissions and pollutants, we target to reduce our electricity consumption, and have introduced measures to achieve it. For example, we have instructed our staff and workers to turn off electricity when our factory and office equipment are not in use, to use natural ventilation to replace air-conditioning in allowable conditions, and not to set all air-conditioners' temperature setting to lower than 25°C under normal conditions. The Group has also invested in energy saving tools and equipment such as energy-saving copiers and computers installed LED lights, encouraged employees to use teleconferencing to reduce their travels and to use public transport whenever possible.

During the 2021 Reporting Period, same as the 2020 Reporting Period, the Group did not have any violation related to hazardous or non-hazardous air emissions and wastes disposal, polluted water discharges and we are determined to take all necessary measures to achieve the same results for the coming years.

製造營運產生的有害廢物數量微不足道，未有對環境造成重大影響。

生產營運及非生產營運均會產生無害廢物。生產營運產生的無害廢物主要為包裝物料，即標籤貼紙、塑膠薄膜及牛皮紙。於支援辦公室、宿舍及食堂等非生產營運區域亦有產生少量的無害廢物。上述所有廢物均交由外部廢物回收商收集及處置。無險廢物的數量於A2(iii)節中說明。

緩解措施及減低產生量計劃

如上述分析所示，本集團產生須排放及處置之有害及無害廢物數量甚少。然而，本集團作為負責任企業亦清楚其營運及活動可能對環境構成之影響，且時刻努力使能源效益擴至最大並將排放量、廢物生產量、處置數量及棄置數量降至最低。我們全面遵守營運所在市場的所有適用環境法律、規定及法規以及行業標準。我們亦遵守ISO 9000:2015等品質管理體系，藉此減少污染及增進可持續性。

我們擬透過減少耗電以應對全球暖化、減少溫室氣體排放及降低污染物產生量，並已推行相關措施以達致目標。舉例而言，我們指示員工及工人將閒置的廠房及辦公室設備的電源切斷，於可能情況下利用自然通風代替冷氣及避免於正常情況將所有冷氣的溫度設定為25°C以下。本集團亦有投資節能工具及設備，例如購置節能影印機及電腦，安裝LED燈，鼓勵員工利用視像會議減少出差以及盡可能使用公共交通工具。

二零二一報告期內，本集團與二零二零年報告期同樣概無因排放有害或無害廢氣、廢物處置及排放污水而有任何違規，且致力採取一切必要措施務求來年取得相同成果。

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A2: Use of Resources

As an industrial operation, we consume electricity, water, printing paper and ink, packaging materials, and steel. We promote the company-wide goal to saving resources and have implemented various measures to improve our resource saving performance, to minimize the impact to the environment and achieve operational optimization while complying with the relevant national and local laws and regulations. We have approved and implemented clear environmental policies and measures with the target to have an efficient use of resources for production facilities and processes, office administration, and the general use of our employees without causing pollution whilst saving resources. Our use of electricity, fossil fuels, water, printing papers and steel for 2021 were recorded as per below:

- (i) *Electricity, Gas & Fuel Consumption*
Electricity is the only source of energy for our industrial production and our offices and dormitories operations and activities and is supplied by the local electricity grid. For 2021, the Group also used fossil fuels, namely 168 cubic meters (“m³”) of gas and 9.61 tonnes of diesel and lubricating oil, mainly for forklifts, machine tools cooling, and welding in the Dongguan Factory (For 2020: 88 m³ of gas and 7.26 tonnes of diesel and lubricating oil). The table below recorded and compared the 2021 Reporting Period and the 2020 Reporting Period’s resultant energy consumption in the Dongguan Factory:

A2 : 資源利用

我們於工業營運中消耗電力、水、列印用紙及油墨、包裝物料及鋼材。我們提倡節約資源作為全公司目標，並已實施多項有助改善節約資源績效的措施，藉此將環境影響降至最低，於優化營運的同時遵守相關國家及地區的法律及法規。我們已審批及實施清晰的環境政策及措施，務求有效利用生產設施及過程、辦公室行政及一般員工用途的資源，避免產生污染物，同時節約資源。二零二一年耗電量、化石燃料用量、用水量、列印用紙用量及鋼材用量如記錄下：

- (i) *電力、煤氣及燃料用量*
電力為本集團工業生產、辦公室及宿舍營運及活動的唯一能源來源，並由地方電網供應。於二零二一年，本集團亦使用化石燃料，即168立方米（「立方米」）煤氣及9.61噸柴油及潤滑油，主要用於東莞工廠的堆高機、機械工具冷卻及焊接機床（二零二零年：88立方米煤氣及7.26噸柴油及潤滑油）。下表記錄及比較二零二一年報告期及二零二零年報告期在東莞工廠產生的能源消耗：

Energy Consumption 能源消耗		Year ended 31 December 截至十二月三十一日止年度		
		2021 二零二一年	2020 二零二零年	Changes 變動
— Electricity — 電力	Consumption (kWh) 消耗量 (千瓦時)	837,906.00	685,007.00	+22.32%
	Intensity (kWh/employee) 密度 (千瓦時/僱員)	11,172.08	9,133.43	+22.32%
— Gas — 煤氣	Consumption (m ³) 消耗量 (立方米)	168.00	88.00	+90.91%
	Consumption (kWh) 消耗量 (千瓦時)	8,270.11	4,331.96	+90.91%
	Intensity (kWh/employee) 密度 (千瓦時/僱員)	110.27	57.76	+90.91%
— Diesel and lubricating oil — 柴油及潤滑油	Consumption (Tonnes) 消耗量 (噸)	9.61	7.26	+32.30%
	Consumption (kWh) 消耗量 (千瓦時)	140,324.26	106,068.20	+32.30%
	Intensity (kWh/employee) 密度 (千瓦時/僱員)	1,870.99	1,414.24	+32.30%
Total 總計	Consumption (kWh) 消耗量 (千瓦時)	986,500.37	795,407.16	+24.02%

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Compared to the 2020 Reporting Period, the usage of electricity increased by 22.32% due to the increase in of operations.

Compared to the 2020 Reporting Period, there is also an increase in the gas and fuel usage in the Dongguan Factory of approximately 90.91% and 32.30% respectively, due to the increase in operations and one-off demolition work has been carried out during the 2021 Reporting Period which increase the fossil fuels consumption. For the coming years, we have already planned to gradually replace fossil fuels by electricity or other forms of sustainable energy in order to reduce the generation of hazardous gases emissions as explained previously.

For the coming year, we will continue to encourage and monitor our employees on energy saving practices, and target to lower the energy consumption by 1–2%.

The Group recognises that investing in energy efficiency initiatives helps us to minimise our environmental impacts while also reducing costs. Our production facilities and accompanying dormitories are powered by a consistent and sufficient supply of electricity, which is supplied by the local electricity grid. To save energy, which also saves costs, we have installed energy saving LED lights and control meters and invested in the latest energy efficient production equipment and processes. The Group has promulgated rules and encouraged staff and workers to use resources efficiently and environmentally friendly including:

- Lights and equipment must be turned off if not in use;
- Maintaining work environments at pre-determined and energy efficient temperatures; and
- Encouraging the use of natural ventilation instead of air-conditioning whenever the conditions allow.

與二零二零年報告期相比，由於業務增加，用電量增加22.32%。

與二零二零年報告期相比，東莞工廠的煤氣及燃料用量亦有所增加，分別約為90.91%及32.30%，乃由於在二零二一年報告期，業務量的增加及一次性拆遷工作的開展增加化石燃料的消耗。未來數年，我們已計劃逐步以電力或其他形式的可持續能源取代化石燃料，以減少前述的有害氣體的產生。

來年，我們將繼續鼓勵及監督員工的節能行為，並以降低1–2%的能源消耗為目標。

本集團明白投資能源效益措施既有助我們將環境影響降至最低，亦能減少開支。生產設施及附屬宿舍由地方電網供應穩定而充足的電力。我們已安裝節能發光二極體燈具及節能控制儀表，且已投資最新的節能生產設備及程序，藉此節省能源及開支。本集團已發佈規定，鼓勵員工及工人以有效及環保的方式利用資源，其中包括：

- 照明及設備必須於未有使用時關上；
- 將工作環境保持在預定的節能溫度下；及
- 鼓勵於情況許可下利用自然通風代替冷氣。

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(ii) Freshwater Consumption and Sourcing

For water, the main consumption comes from the production process in cooling hot metal. Water is also used in the employee' dormitory for their personal use. Our factory, offices and dormitories all use freshwater supplied from the cities' central water supply network and we do not have any problem on sourcing of our water needs.

At all times we request the staff and workers to use fresh water smartly and be responsible, as it is one of the most precious natural resources. We utilize internal water recycling systems where possible and we monitor water usage patterns constantly via the use of smart meters and our own inspection teams who have been assigned to ensure there is no unwarranted uses and waste.

The table below recorded and compared the 2021 Reporting Period and the 2020 Reporting Period's resultant water consumption in the Dongguan Factory:

Water Consumption by Operation 按營運劃分的耗水量	Unit 單位	Year ended 31 December 截至十二月三十一日止年度		
		2021 二零二一年	2020 二零二零年	Changes 變動
— Dongguan Factory — 東莞工廠	m ³ 千瓦時	11,150	4,880	+128.48%
Intensity 密度				
— m ³ /employee in Dongguan Factory — 東莞工廠千瓦時／僱員		148.67	65.95	+125.42%

We use freshwater for industrial production and offices and dormitories for daily usage purposes. Compared to the 2020 Reporting Period, the Group recorded an increase of approximately 128.48% due to the newly installed water-cooled air conditioning system and water circulation system.

For the coming year, we will continue to mobilize our staff and workers to save freshwater consumption, nevertheless continue to expand our operations, and target a water consumption to reduce 1–2% freshwater consumption.

(ii) 淡水消耗及採購

耗水量主要來自冷卻高溫金屬的生產程序。員工宿舍亦有就個人用途而用水。廠房、辦公室及宿舍均使用由所處城市之中央供水網絡供應的淡水，我們於採購水資源方面並無任何問題。

淡水是非常寶貴的自然資源，因此我們時刻要求員工及工人須明智及負責地使用。我們盡可能利用內部的水循環系統，且透過智能水錶及檢查小組持續監察用水模式，有關小組獲委任以確保概無非必要耗水及浪費。

下表記錄及比較二零二一年報告期及二零二零年報告期在東莞工廠產生的耗水量：

我們將淡水用於工業生產，以及辦公室及宿舍用於日常使用。與二零二零年報告期相比，由於新安裝的水冷空調系統及水循環系統，本集團錄得約128.48%的增長。

來年，我們將繼續動員我們的員工及工人節約用水，儘管如此，我們的業務繼續擴大，並以減少1–2%的用水為目標。

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(iii) *Paper and Packaging Materials and Other Raw Materials Consumption*

We consider our use of packaging materials, namely affixed labels, plastic film and kraft paper, to be a material item.

The table below recorded and compared the 2021 Reporting Period and the 2020 Reporting Period's resultant non-hazardous waste in the Dongguan Factory:

Non-Hazardous Waste 無害廢物	Unit 單位	Year ended 31 December 截至十二月三十一日止年度		
		2021 二零二一年	2020 二零二零年	Changes 變動
— Paper — 紙張	Tonnes 噸	0.00	0.04	-95.00%
— Packaging Material — 包裝物料	Tonnes 噸	0.07	0.13	-45.66%
Total 總計	Tonnes 噸	0.07	0.17	-58.11%

Compared to the 2020 Reporting Period, the significant decrease of the non-hazardous waste was due to the effort to encourage employees to use paper efficiently during the 2021 Reporting Period, resulting in very low paper wastes during the period. Furthermore, the Group has reevaluated our packaging needs for our products to eliminate unnecessary packaging, resulting in a very low packaging material consumption during the period.

The amount of packaging material used is largely dictated by our sales volume and so we are unable to target any serious reduction in packaging materials. We will continue to monitor our usage and look at ways to introduce more sustainable and environmentally friendly materials where possible.

(iii) 紙張及包裝物料與其他原材料消耗量

我們將標籤貼紙、塑膠薄膜及牛皮紙等包裝物料視為重要項目。

下表記錄及比較二零二一年報告期及二零二零年報告期在東莞工廠產生的無害廢物：

與二零二零年報告期相比，無害廢物的大幅減少乃由於在二零二一年報告期致力鼓勵員工有效用紙，導致期內的廢紙甚少。此外，本集團重新評估我們的產品包裝需求，以消除不必要的包裝，導致期內的包裝材料消耗極低。

包裝物料用量主要取決於銷售量，故此未能就其訂立任何大幅減少的目標。我們將繼續監察消耗量，持續探索並盡可能引入可持續及環保的物料。

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We consider our office paper use immaterial, however, to save paper consumption, we have implemented or in the process of implementing the following measures in our offices:

- Avoid unnecessary printing and print on both sides;
- Use recycled papers and reuse paper-made products such as envelopes and folders;
- Replace the use of papers by sharing and storing information and documents in electronic formats; and
- Adopt a company-wide cloud based working environment including ERP system to reduce the need for printed documentation.

As explained before, during our production process, we use a lot of steel metal, and generate metal scraps. The use of steel is in direct proportion to our business turnover. The generation of metal scrap can be reduced through new and improved production processes and we have continuously monitored and implemented these in trying to achieve such reductions. At the same time, we do not waste any scrap metal as they are stored in a designed place in the factory and then sold to approved scrap metal recyclers.

A3: Environment and Natural Resources

The Group's business operations and activities do not create significant environmental impact and hazards. As a responsible corporation, we have implemented our environmental protection policy and have complied with all national and local environmental laws, rules and regulations, and industry standards. We are committed to conserving resources in order to reduce its impact on the environment as well as saving operational costs. We cooperate with the local government agencies and support environmental organizations' activities to build a "green" society. The Group has also implemented green purchasing practices and best practice technologies to conserve natural resources where applicable.

我們將辦公室用紙視為非重要，然而，我們於辦公室已實施或正在實施以下措施以減少用紙量：

- 避免非必要列印及雙面列印；
- 使用回收紙及重複使用信封及文件夾等紙製品；
- 以電子格式分享及儲存資料，藉此取代紙張；及
- 於全公司範圍落實包括企業資源計劃(ERP)系統在內的雲端工作環境，以減少列印文件的需要。

誠如上文所述，我們於生產程序中使用大量鋼材並產生廢金屬。鋼材用量與營業額成正比。廢金屬生產量可藉經改良的新生產程序減少，我們持續監察並已實施有關程序，藉此嘗試達成相關減少。與此同時，廢金屬將儲存於廠房的指定場所並於其後轉售予認可廢金屬回收商，故此我們未有就其造成任何浪費。

A3: 環境及自然資源

本集團業務營運及活動並未對環境造成嚴重影響及災害。我們作為負責任企業已實施環境保護政策，且遵守國家及地區的所有環境法律、法例及規定以及行業標準。我們致力節約資源，務求降低環境影響之餘節省營運開支。我們與地方政府機構合作，並支持環境組織的活動，以期建設「綠色」社會。本集團亦已實施綠色採購慣例及最佳實踐技術，盡可能節約自然資源。

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During the 2021 Reporting Period, freshwater, fossil fuels, electricity and paper-based packaging materials for normal production operation were the key elements which were considered to have an impact on the environment. We have continued to support all measures to reduce, reuse, recycle, and replace as far as possible and practicable as laid down in our Environmental Policy and Measures. The Group did not receive any warning or complaint notice from any governmental environmental agencies, clients or business partners for the violation of any environmental rules and regulations, the act of polluting the environment or causing any environmental troubles. For the coming year, we will continue to achieve zero complaints and no pollution occurrences, and to explore new avenues and means to accomplish our goals of conserving natural resources and protecting the environment.

A4: Climate Change

The Group understands that stakeholders expect us to be managing and mitigating climate change risks in line with local and global commitments and recommendations. We recognise that the impacts of climate change are varied and long-ranging and the risks identified could prevent us from meeting our strategic objectives and could result in adverse operational, compliance and financial impacts. Thus, climate change risks are considered by our Board to be material risks and oversight is given to the Audit and Risk Committee who is developing an overarching Climate Change Strategy to reduce greenhouse gas emissions with policies and procedures to manage such potential risks including:

- Potential disruption to our operations due to extreme weather events and changing weather patterns;
- Changing customer behaviours and requirements as demand moves to other new machinery and equipment such as wind turbines;
- Changes in cost and availability of raw materials (carbon neutral steel etc) and utilities such as renewable electricity, water and gas and relevant costs of securing and maintaining sufficient supply;

二零二一年報告期內，正常生產程序所用淡水、化石燃料、電力及紙製包裝物料被視為對環境構成影響的重要因素。於可能情況下，我們盡可能於切實可行情況下持續支援所有根據本集團環境政策及措施制定的減少使用、重複使用、回收使用及替代使用措施。本集團未有因違反任何環境法例或規定、污染環境行為或造成任何環境問題而接獲由任何政府的環境機構、客戶或業務伙伴發出的任何警告或投訴通知。我們將於來年保持零投訴及零污染狀況的記錄，並探索新途徑及方法以達致節約自然資源及保護環境的目標。

A4: 氣候變化

本集團明白，持份者希望我們根據地方及全球的承諾及建議，管理並緩解氣候變化的風險。我們深知氣候變化的影響多變且持久，已識別的風險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。董事會因此將氣候變化視為重大風險，並就此督促審計及風險委員會，該委員會正制定一項總體氣候變化對策，藉相關政策及程序管理此類潛在風險，以期減少溫室氣體排放，相關風險包括：

- 極端天氣事件及氣候模式轉變或會對業務造成干擾；
- 需求轉移至其他新的機械及設備(如風力渦輪機)，而客戶行為及要求隨之改變；
- 原材料(如碳中性鋼等)及公用事業(如可再生能源、水及煤氣)的成本及供應量及為確保及維持充足供應的相關開支改變；

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- Changes to government policy, law and regulation (including pricing carbon, renewable electricity pricing etc), which could result in increased operational costs and potential for litigation; and
- Failure to meet expectations of stakeholders.

Climate change is mainly caused by the release of CO₂ into the atmosphere, which is directly and indirectly the result of the use of fossil fuels for electricity generation and fuels for transportation. As the world transitions to a lower-carbon sustainable economy, there are inevitable areas that our Group can contribute to this. After discussions with our stakeholders, we have identified energy, water and logistics as immediate areas that we can tackle to both combat climate change and reduce potential costs in the future.

Energy

During the 2021 Reporting Period, the Group generated direct and indirect greenhouse gas — CO₂ emissions, through the uses of fossil fuels electricity. As explained previously, we have implemented policies and procedures to reduce the use of fossil fuels as well as electricity across our organization and we will continue to invest in new more energy efficient manufacturing equipment and processes in the near future. We are currently investigating the cost-benefit of partial self-generation of renewable energy via solar panel installation etc.

Water

Water is used both in our production process and by our employees in their dormitories. The Group has taken measures to encourage employees to more efficiently use water in order to reduce its consumption. We already utilise recycled water treatment systems in our production facilities so as to minimise water wastage.

Logistics

In line with our Climate Change Strategy, the carbon footprint and sustainability of suppliers is an important consideration and we are actively seeking logistics partners that utilize electric vehicles or close equivalents to minimize their own carbon footprint where possible.

- 政府政策、法律及規定（包括碳定價、可再生能源定價等）改變，導致營運成本及訴訟機會增加；及
- 未能滿足持份者期望。

氣候變化主要由釋放至大氣中的二氧化碳引起，並為利用化石燃料發電及作交通工具燃料的直接及間接後果。隨著世界轉型向低碳及可持續經濟，本集團亦可於若干領域作出貢獻。本集團與持份者的討論後，已將能源、水及物流識別為可即時採取行動，能同時對抗氣候變化及減少未來潛在開支的範疇。

能源

二零二一年報告期間，本集團因利用化石燃料發電而產生直接及間接溫室氣體（二氧化碳）排放。誠如上文所述，我們已實施政策及程序，藉此於機構內減少使用化石燃料及耗電，並於不久未來持續投資能源效益較佳的新設備及程序。我們現正研討透過可再生能源自行生產部分電力的成本效益，方法包括安裝太陽能電池板等。

水

生產程序及宿舍員工均會用水。本集團已採取措施，鼓勵員工更有效用水以減少消耗。我們已於生產設施使用循環水處理系統，藉此將水資源浪費降至最低。

物流

根據氣候變化對策，碳足跡及可持續性為挑選供應商的重要考慮因素，我們正積極物色利用電動車或類似方式，盡可能減少其碳足跡的物流合作夥伴。

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For the 2021 Reporting Period, the Group's business operations and activities, except for the above three aspects, did not lead to any events or issues that might impact the climate or result in the change of the climate significantly. The Group also has already taken measures to lower indirect CO₂ emissions and freshwater consumption for the coming year.

二零二一報告期內，除上述三個層面外，本集團業務營運及活動未有造成任何可能影響氣候或導致重大氣候變化的事件或問題。本集團亦已採取措施，務求於來年減少二氧化碳的間接排放及淡水消耗。

B. SOCIAL ASPECTS

1.1 Social Areas Overview

The Group acts in an honest and transparent principle and aims to support the building of a harmonious society and a mutually beneficial relationship with our stakeholders including employees, customers, suppliers, professional services providers, local communities as well as the governing authorities. During the formulation and implementation of our ESG strategies, policies, rules and regulations, we incorporate our long and short-term goals with consideration for our stakeholders and society. We believe that our modest acts will ultimately benefit the stakeholders and general society.

1.2 Employment and Labour Practices Aspects

B1: Employment

The Group strives to create a workplace which makes each employee feel valued and inspire to do their best and at all times regard our employees as valuable assets for our sustained development and growth. It is our policy to strictly comply with all the relevant statutory requirements in the Labour Law of the PRC (中華人民共和國勞動法) and other applicable laws and regulations in the PRC, and the Hong Kong Employment Ordinance.

The Human Resources Department is responsible for the employment and the relevant policies, which are clearly laid out in our Employee Handbook, including but not limited to, appointment, termination, working hours, rest days, statutory holidays, remunerations, various compensations, dismissals, health, general safety and other benefits and welfares.

The Group is committed to providing employees with equal opportunity on recruitment, promotion, compensation and benefits as specified in the relevant statutory provisions. To ensure a fair and rational human resources structure, the Group has established job qualifications and requirements specific to each job position in the local offices. They are taken as criteria for recruitment, promotion and transfer. The recruitment and decision-making processes involve both the relevant operational levels and the Human Resources Department. All employees enter into proper and standard employment contracts between the Group as required by law. Employment of child labor and forced labor is expressly and strictly forbidden.

B. 社會層面

1.1 社會範疇概覽

本集團遵循誠信及透明原則行事，旨在支持建設和諧社會，並與員工、客戶、供應商、專業服務提供者、當地社群及政府機構等持份者建立互惠互利的關係。制定及實施環境、社會及管治策略、政策、規則及規定時，我們結合長期及短期目標，顧及持份者及社會。本集團相信我們的綿薄之力終可使持份者及整體社會受益。

1.2 僱傭及勞工常規層面

B1: 僱傭

本集團致力建立使每位員工感到其價值的工作場所，並激勵彼等各盡所能。我們始終將員工視為持續發展及增長的寶貴資產。我們的政策是嚴格遵守《中華人民共和國勞動法》、其他適用中國法律及規定，以及香港僱傭條例的所有相關法定要求。

人力資源部負責本集團員工手冊明確規定的僱傭及相關政策，包括但不限於：任命、離職、工作時數、休息日、法定假日、薪酬、各種補償、解僱、健康、一般安全及其他福利。

本集團致力在招聘、晉升、薪酬及福利各方面為員工提供有關法定條文規定的平等機會。為確保公平合理的人力資源結構，本集團已針對本地辦公室的每個職位訂立工作資歷及要求，並將其視為招聘、晉升及調動的標準。相關營運部門及人力資源部均有參與招聘及決策過程。所有員工均根據法律與本集團訂立適當及標準的僱傭合同。本集團明確並嚴格禁止僱傭童工及強迫勞動。

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In accordance with the requirements of the national laws of the PRC such as Social Insurance Law of the PRC (中華人民共和國社會保險法), the Administrative Regulations on Housing Provident Funds (住房公積金管理條例) and local Employment and Labour Law of Hong Kong, the Group provides and maintains statutory benefits to all qualified staff, including but not limited to mandatory provident fund, social security insurance, medical insurance, work injury insurance and compensation and statutory holidays.

Employees' remunerations are determined with reference to the prevailing market level in line with their competency, qualifications, experience and job position. Discretionary bonuses of such amounts and at such intervals for internal employees will be rewarded at the discretion of the top management with consideration on performance.

Employment of the Group:

For the year ended 31 December 2021, the Group had the following employment breakdown:

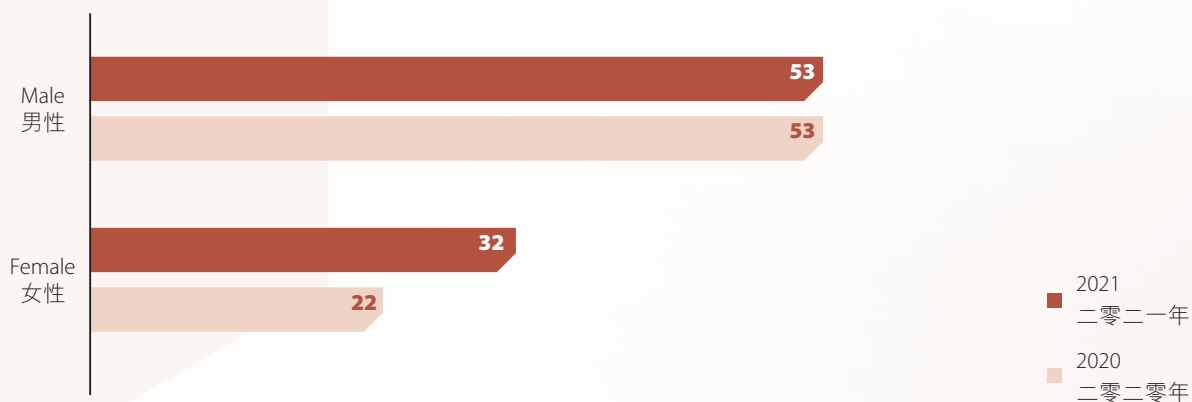


Figure 1: Number of Employees by Gender
圖一：按性別劃分的僱員數目

本集團根據《中華人民共和國社會保險法》及《住房公積金管理條例》等中國國家法律以及香港本地僱傭及勞動法律規定，向所有合資格員工提供及維持法定福利，包括但不限於強制性公積金、社會保障保險、醫療保險、工傷保險與賠償以及法定假期。

員工的薪酬乃根據其能力、資歷、經驗及職位，按當時市場水平釐定。最高管理層將考慮內部員工的表現，酌情於一定時段內向其發放一定金額的獎金以作獎勵。

本集團僱用情況：

截至二零二一年十二月三十一日止年度，本集團有以下僱用的明細：

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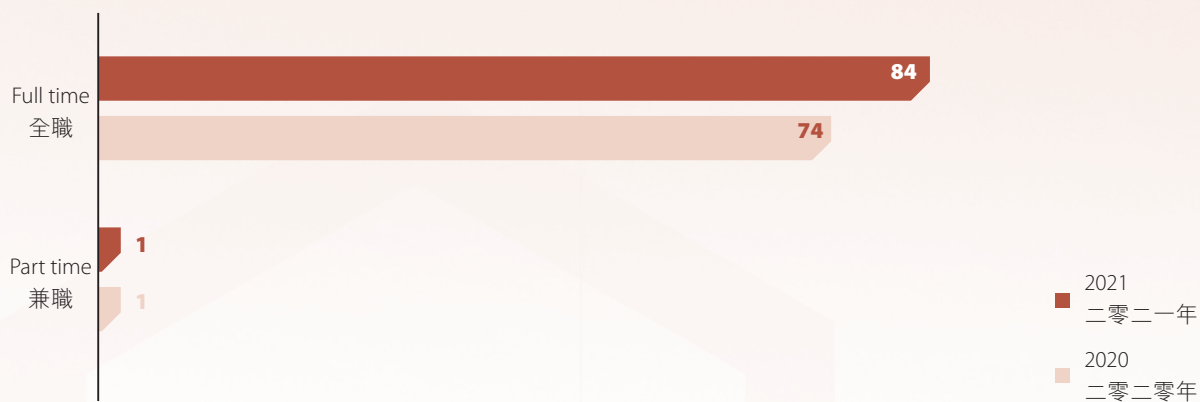


Figure 2: Number of Employees by Employment Type
圖二按僱傭類別劃分的僱員數目

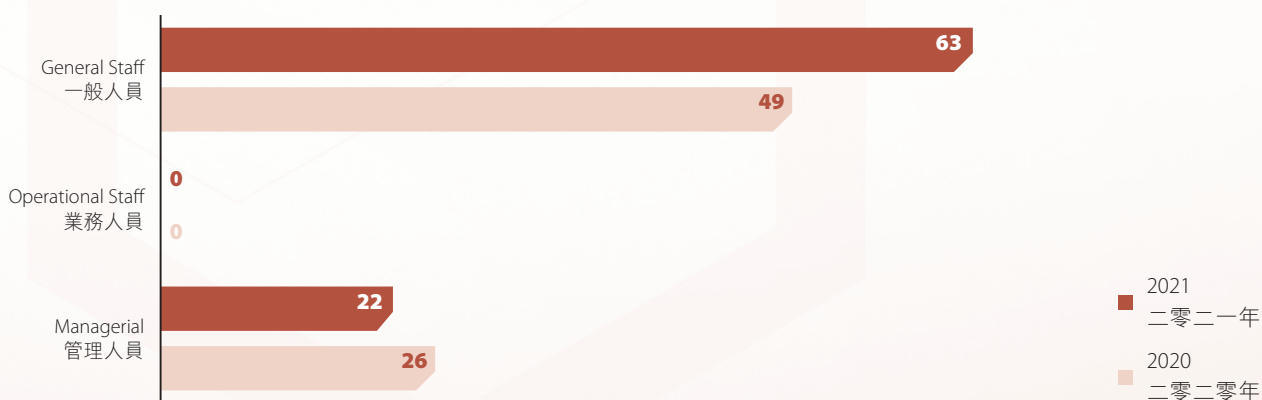


Figure 3: Number of Employees by Role
圖三：按職份劃分的僱員數目

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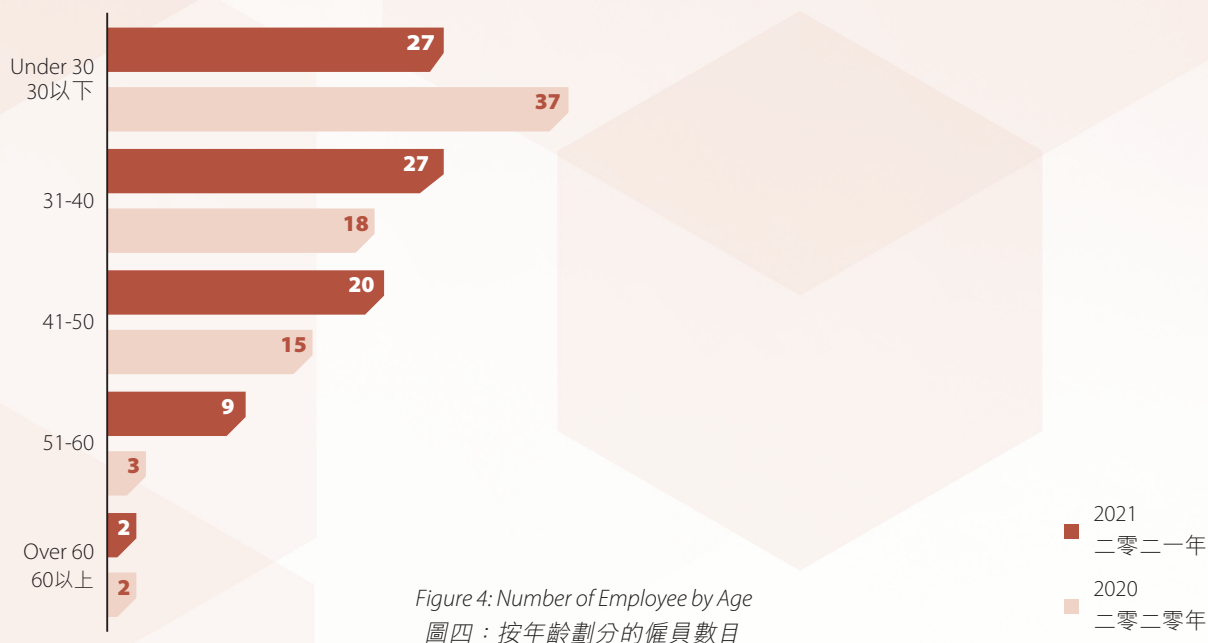


Figure 4: Number of Employee by Age
圖四：按年齡劃分的僱員數目

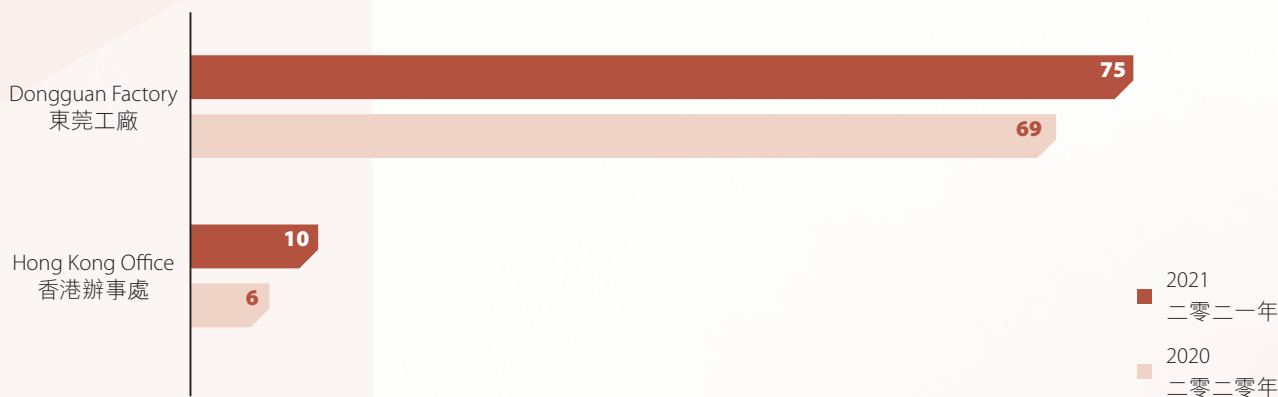


Figure 5: Number of Employees by Geographical Region
圖五：按地區劃分的僱員數目

During the 2021 Reporting Period, the Group did not have any incidents of non-compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. We are confident that the Group will achieve the same result for the coming year.

二零二一年報告期內，概無發生任何對本集團構成重大影響，有關補償及辭退、招聘及晉升、工作時數、休息時間、平等機會、多元化、反歧視以及其他福利的相關法律及規定的不合規事件。我們相信本集團於來年將可取得相同成果。

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Employment Turnover of the Group:

For the 2021 Reporting Period, a total of 50 employees voluntarily left for various reasons such as personal and further career development. A breakdown of the employment turnover rates of the Group are broken down as follows:

本集團僱員流失情況：

於二零二一年報告期，合共50名僱員因其他如個人或其他事業發展的理由自動離職。僱員流失率的明細如下：

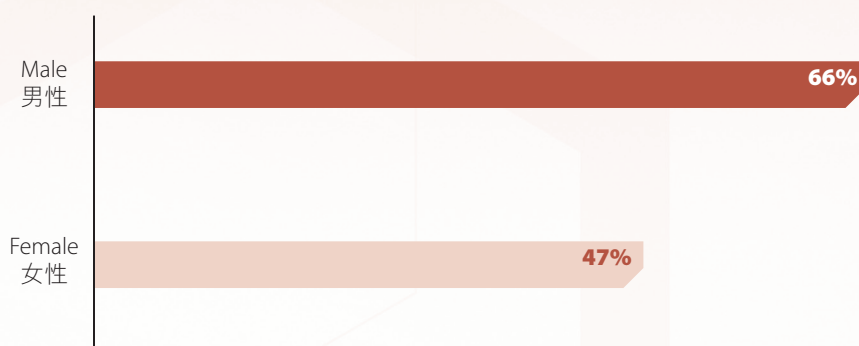


Figure 6: Employment Turnover Rate by Gender
圖六：按性別劃分的僱員流失情況



Figure 7: Employment Turnover Rate by Age
圖七：按年齡劃分的僱員流失情況

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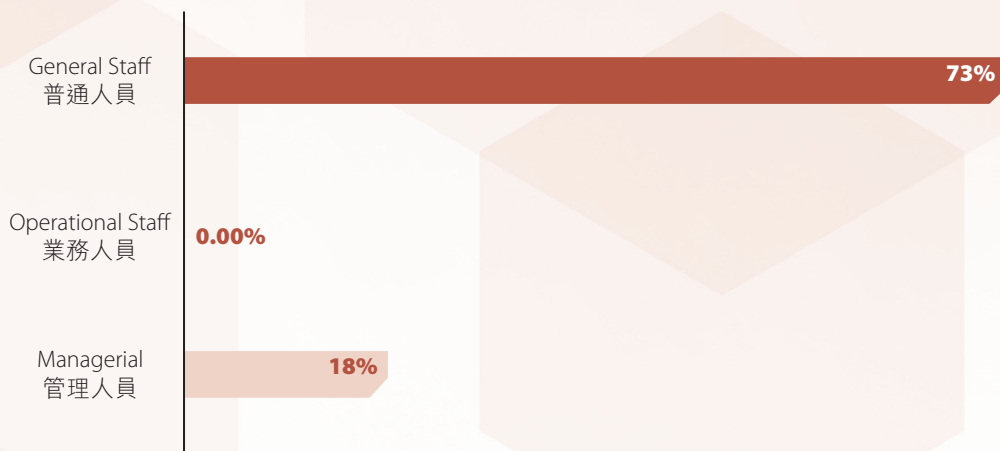


Figure 8: Employment Turnover Rate by Role
圖八：按職份劃分的僱員流失情況

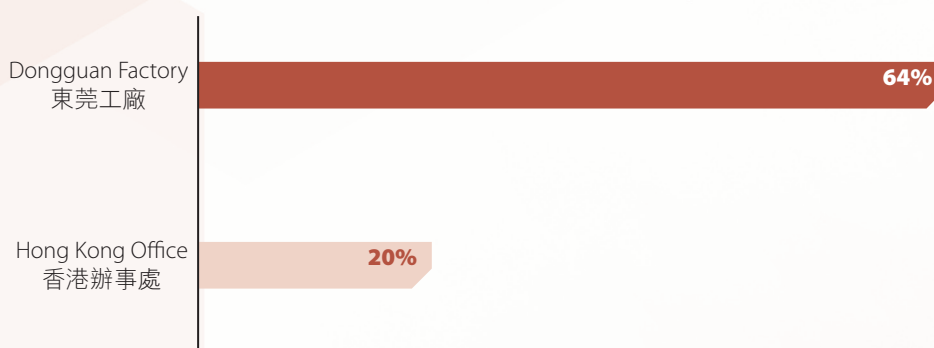


Figure 9: Employment Turnover Rate by Geographical Region
圖九：按地區劃分的僱員流失情況

B2: Health and Safety

Given the nature of the Group's business in metal products related manufacturing, and being a responsible employer, the Group considers the health and safety of employees as our primary concern. We are focused on personal accountability, proactive hazard and incident management, risk mitigation and creating a positive health and wellbeing culture.

B2: 健康及安全

本集團業務性質為製造金屬相關產品，且為一家負責任的企業，因此本集團將員工健康及安全列為首要考慮。我們著重個人負責、積極的危害及事故管理、降低風險及營造正面的健康及福祉文化。

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The Work Safety Law of the PRC (中華人民共和國安全生產法) is the overriding law regulating health and safety of employees in our operations. However, leadership and culture are critical to embedding the importance of health and safety throughout our Group. Department managers and all employees are required to complete training to understand the practicalities of health and safety laws and regulations, and how they apply to our business particularly manufacturing practices. Specific safety rules, instructions and procedures for the safe operation of plants and employee safety are detailed in our Employee Handbook. The Safety Officer is responsible for the work safety and has composed a Safety Manual, which contains the relevant regulations and standards and developed processes applicable to our manufacturing operations.

All employees are required to strictly observe the health and safety policies, instructions and guidance and to follow the same at work and to place safety as their priority over production. Managers and supervisors are charged with the responsibility of ensuring that safety policies, rules and practices are observed. The Group has also taken out the required insurance for all employees in accordance with the statutory requirements of their employment locations.

The Group has equipped its production facilities with all the required safety equipment and facilities. We regularly purchase and ensure that all employees, at all times, have available and wear their labour safety equipment, such as safety helmets, gloves, and goggles. We also regularly conduct safety inspections and tests across all levels of our production facilities and manufacturing process. For example, we annually carry out the inspection and testing of heavy machineries to ensure we have satisfied our duty to comply with provisions concerning the Safety Supervision of Lifting Machinery (起重機械安全監察規定).

中華人民共和國安全生產法乃規範我們營運過程中員工健康及安全的最重要法律，然而，領導及文化對於將健康與安全的重要性傳遞至集團上下至關重要。部門經理及所有員工均須完成培訓，以了解健康及安全法律法規的功用，以及如何將其應用至業務中，尤其是製造實務方面。有關廠房安全營運及員工安全的特定安全規則、說明及程序的詳情載於員工手冊。工作安全由安全專員負責，彼已編製安全手冊，內容涵蓋適用於生產營運的相關規定與標準以及既有程序。

所有員工均須嚴格遵守並在工作中遵循健康與安全政策、指示及指引，並將安全置於生產之上。經理及主管負責確保安全政策、規則及慣例獲遵守。本集團亦根據受聘地點的法定要求為所有員工購買必需的保險。

本集團已為生產設施配備所有必需的安全設備及設施。我們定期購買安全帽、手套及護目鏡等勞動安全裝備，並確保全體員工於任何時候均獲配備並穿戴有關裝備，我們亦定期對生產設施及製造程序的各個層面進行安全檢查及測試。舉例而言，我們每年檢查及測試重型機械，以確保遵守有關起重機械安全監察規定的職責已獲履行。

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In-house rules require all injuries or accidents to be promptly reported and properly dealt with in accordance with the national or local laws. In parallel, remedial or compensatory actions arising from safety and health issues or work injuries are required to be taken immediately where necessary as stipulated by the in-house rules. The Group did not have any record on any claim disputes on compensation or work-related injury investigation by the government officials in the 2021 Reporting Period.

The Group had zero work-related fatalities in the past three years including the 2021 Reporting Period in any of our operations. Furthermore, during the 2021 Reporting Period, there was 1 light injury case of the factory worker from careless work (For 2020 Reporting Period: 3 cases).

A total of 18 lost days were recorded during the 2021 Reporting Period, which was 44 days less than the 2020 Reporting Period (For 2020 Reporting Period: 62 days). All of the injured employees had been well-taken care immediately after the occurrence with no disputes or claims arising thereafter. Furthermore, there were no other accidents or incidents of non-compliance with relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards which could have significant impact on the production operations or businesses of the Group. Our low injury rate shows that our safety and health policies and measures including training are effectively implemented and adhered to. The Group targets to achieve a zero injury and causality result for the coming year.

內部規則要求及時報告所有受傷或事故，並根據國家或地方法律予以適當處理。與此同時，根據內部規則，倘有需要須就安全及健康問題或工作傷害採取即時補救或補償措施。二零二一年報告期內，本集團概無接獲任何索賠糾紛或政府人員調查工傷事件的記錄。

過去三年(包括二零二一年報告期)，本集團在任何業務中概無發生工傷死亡事故。此外，於二零二一年報告期，有1宗工廠工人因工作意外而造成的輕傷案件(二零二零年報告期：3宗)。

二零二一年報告期共錄得18天的損失，較二零二零年報告期少44天(二零二零年報告期：62天)。所有受傷的員工在事故發生後均得到悉心照顧，此後再無出現任何糾紛或索賠。此外，概無發生對本集團生產營運或業務造成重大影響，有關提供安全工作環境及保護員工免受職業傷害的法律及法規的其他不合規事故或事件。本集團員工受傷率甚低，顯示我們的安全及健康政策與措施(包括培訓)得到有效執行及遵守。本集團擬於來年取得零傷亡的成果。

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B3: Development and Training

As a professional organisation, we provide our employees with numerous career development and job-specific training opportunities covering a range of areas, including but not limited to professional development, trade skills, quality improvement, customer service, leadership and safety. Employees are encouraged to engage in self-development by taking external training programs and seminars.

Below is the breakdown stating the percentage of employees trained during the 2021 Reporting Period and the 2020 Reporting Period by gender and operational role:

Training (No. of employees) 培訓(員工人數)		Internal 內部	External 外部
Percentage of employees trained 受培訓員工比例	2021 二零二一年	94%	7%
	2020 二零二零年	300%	85%
Male 男性	2021 二零二一年	69%	67%
	2020 二零二零年	69%	25%
Female 女性	2021 二零二一年	31%	33%
	2020 二零二零年	31%	75%
Managerial 管理人員	2021 二零二一年	20%	17%
	2020 二零二零年	13%	100%
Operational 業務人員	2021 二零二一年	–	–
	2020 二零二零年	–	–
General 普通人員	2021 二零二一年	80%	83%
	2020 二零二零年	87%	–

B3 : 發展及培訓

我們作為專業組織為員工提供多項職業發展及針對特定職位的培訓機會，內容涵蓋多個領域，包括但不限於：專業發展、貿易技能、改善品質、客戶服務、領導能力及安全性。我們鼓勵員工參加外部培訓計劃及研討會，藉此促進個人發展。

下表為於二零二一年報告期及二零二零年報告期按性別及業務職位劃分的受訓員工百分比明細：

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Below is the breakdown stating the hours of training provided during the 2021 Reporting Period and the 2020 Reporting Period by gender and operational role:

下表為於二零二一年報告期及二零二零年報告期按性別及業務職位劃分的所提供培訓時數明細：

Average training hours per employee ⁽⁴⁾ 每名員工平均培訓小時 ⁽⁴⁾		Internal 內部	External 外部
Total average training hours per employee 每名員工總平均培訓小時	2021 二零二一年	3.00	4.89
	2020 二零二零年	3.00	0.85
Average training hours for male 男性平均培訓小時	2021 二零二一年	4.25	7.25
	2020 二零二零年	4.25	0.15
Average training hours for female 女性平均培訓小時	2021 二零二一年	0.94	1.00
	2020 二零二零年	6.50	2.55
Average training hours for managerial staffs 管理人員平均培訓小時	2021 二零二一年	3.86	8.73
	2020 二零二零年	6.15	2.46
Average training hours for operational staffs 業務人員平均培訓小時	2021 二零二一年	–	–
	2020 二零二零年	–	–
Average training hours for general staffs 普通人員平均培訓小時	2021 二零二一年	2.70	3.56
	2020 二零二零年	4.55	–

Note 4: Since 2021, we started reporting the average training hours for employees calculation for better comparability and performance tracking. For comparability, the 2020 figure is also restated.

附註4：自二零二一年起，我們開始報告員工的平均培訓小時計算，以提高可比性及業績跟蹤。為具可比性，我們亦重列二零二零年數字。

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B4: Labor Standards

The Group adopts the statutory requirements and standards applicable to our business operations to be our minimum labor standard on labor protection and welfare. The Group is committed to ensuring its full compliance and all management and supervisory levels are made aware of this.

Banning the employment of child labor, illegal workers and forced labor is achieved through the recruitment and employment process at source by the Human Resources Department. All job applicants are required to submit their credentials such as academic qualifications, professional skill certificates, references and identity card for verification and record purpose during recruitment. Such information is kept as the employee's personal file for record and future reference and government inspection.

The Head of the Human Resources Department and the heads of relevant department are charged with the duty of overseeing its compliance and are also responsible for ensuring that all labor protection and welfare obligations are complied with and any breaches of statutory compliance are brought to the attention of the senior levels.

During the 2021 Reporting Period, no case of any child labor or forced labor employment was reported or detected. For the coming year, we will continue maintaining our zero tolerance to forced and child labour.

B4 : 勞工標準

本集團採納適用業務營運的法定規定及標準，並以此為勞工保障及福利方面的最低勞工標準。本集團力求充分合規，全體管理層及主管級別亦已清楚此目標。

本集團嚴格禁止僱用童工、非法勞工及強迫勞動，並通過人力資源部的招募及僱用程序實現此目標。所有求職者於招聘過程中均須提交學術資格、專業技能證書、推薦信及身份證等憑證，以便核實及作記錄用途。此等信息將作為員工的個人文件保存及記錄，以備日後參考及供政府檢查。

人力資源部主管及各相關部門主管有責任監督合規性，並負責確保所有勞動保護及福利義務已獲遵守，並將任何違反法定合規性的情況提呈高層注意。

二零二一年報告期內，未有發現任何童工或強迫勞動的情況或接獲任何相關報告。來年，我們將繼續保持對強迫勞動及童工的零容忍態度。

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B5: Supply Chain Management

During the 2021 Reporting Period, owing to the special nature of our raw materials, we only sourced raw materials from 8 local suppliers and no raw materials were sourced from overseas.

B5: 供應鏈管理

於二零二一年報告期，由於我們原材料的特殊性，我們只從8名本地供應商採購原材料，概無從海外採購原材料。

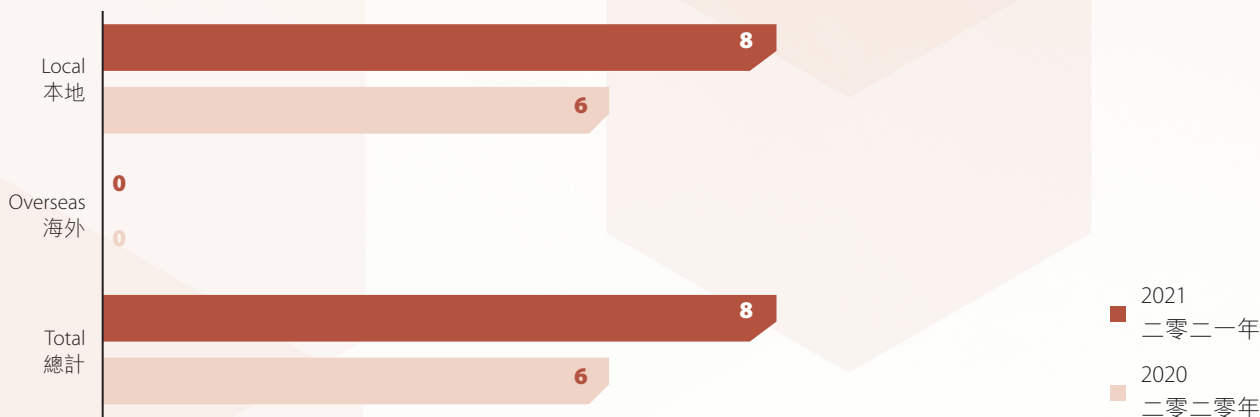


Figure 10: Number of Suppliers by Geographical Location

圖十：按地區劃分的供應商數目

The Procurement Department is responsible for the procurement of raw materials. It also manages the procurement price, cost and supplier based on the company's development plan and sales targets, and to keep enough inventories to meet customer requirements.

採購部負責原材料採購，彼等亦根據公司發展計劃及銷售目標管理採購價格、成本及供應商，並保留足夠庫存以滿足客戶需求。

The principal raw materials that we use for the manufacturing of slewing rings include forged rings (primarily made from gear steel and carbon round steel), steel balls and spacers. Our suppliers of raw materials are located in the PRC. We do not enter into any long-term supply agreements with our suppliers. We procure our raw materials by individual sales orders on a case by case basis and the selling price and quantity of the raw materials required is negotiated on a case by case basis as and when we require the materials to meet a new sales order.

用於製造迴轉支承的主要原材料包括鍛造環（主要由齒輪鋼及碳素圓鋼製成）、鋼珠和間隔物。原材料供應商位於中國。我們未與供應商訂立任何長期供應協議。我們按個別情況就個別銷售訂單採購原材料，並於我們需要原材料滿足新的銷售訂單時，按個別情況協商所需原材料的售價及數量。

The Group has, in place, a very detailed supply and purchase management system adopting different approval authorities at different hierarchy levels of the Management Team depending upon the department and the types of purchase transactions they enter into.

本集團已制定精細的供應及採購管理系統，按各部門及其所從事的採購交易類型，於管理團隊的不同級別採用不同的審批權限。

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In general, the Purchase Manager, Chief Financial Officer, COO and CEO form the execution and supervision purchase chain at different monetary levels. Each level is accountable to the one above on their monetary limits they are authorized to purchase. Purchasers are required not to place an order when the authorization cannot meet its designated level. The approving level is required to ensure that requests for purchase are in order before authorizing.

All purchases of the Group in principle follow the established prevalent trade practice and industry norms under which 3 tenderers (where possible) or more will be invited for tender depending on various factors like contract value, amount involved, any other technicality and time constraints. All purchase transactions are subject to the scrutiny of internal hierarchy supervisions at different levels depending on its contract value and significance and to the overall scrutiny of external independent audit checks. All capital expenditure purchases have to be authorized and approved by the headquarters.

Specificity, timeliness, quantity and quality are the major selection criteria suppliers. Sustainability and our carbon footprint are also considered in our selection process. Technical standards agreements covering chemical composition, mechanical performance etc. are typically entered into with suppliers of raw materials particularly forged rings.

一般而言，採購經理、財務總監、營運總監及行政總裁按不同價格級別執行及監督採購鏈。各級別均對其獲授權可採購價格上限的上一級負責。倘採購人員所獲授權未達指定級別則不得下訂單。達批准級別者方可作出授權，以確保採購請求井然有序。

原則上，本集團所有採購均遵循既定且普遍的貿易慣例及行業規範，據此視乎合約價格、涉及金額、任何其他技術性問題及時間限制等因素，邀請3名（如有可能）或以上招標人進行招標。所有採購交易須按合約價格及重要性，受內部分級監察中相應級別的監督，並全面受外部獨立審計檢查的監督。所有資本開支採購須獲總部授權及批准。

專門性、時間性、數量及品質為挑選供應商的主要標準。挑選過程亦有計及可持續性及我們的碳足跡。本集團一般與原材料（尤其是鍛造環）供應商簽訂涵蓋化學成分及機械性能等方面的技術標準協議。

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B6: Product Responsibilities

Product Quality

We are focused on high quality assurance as we believe that the quality and consistency of our products are critical to our ability to retain our customers and to expand market share. We not only maintain ISO 9001:2008/15 quality management system(s) which the group has been certified since 2008, but also comply with some of the highest international standards as required by our Japanese customers including the JIS, JB and JB/T standards in Japan. To maintain our competitive edge and continuously improve quality and sustainability, we are also committed to investing in increasing our production capabilities with new high-end plants and equipment and automation technologies. For example, new machines are equipped with thermostats which ensure the temperature is consistent and help to reduce cracking of slewing rings and product failure rate. By working closely with our customers, we are able to keep abreast of the latest product development and knowledge.

The major parts of our quality assurance procedures and processes are:

- Our quality assurance team inspects the incoming materials to ensure they are in line with our purchase order, such as the quantity, specifications, serial number, material, dimension and the physical condition. We will also check the test report provided by our supplier. For forged rings, we also check the serial number marked or imprinted on them to ensure that the material supplied is correct.
- On a sampling basis, we will take measurement of, and conduct visual inspection on our forged rings to see if there are any defects on their surface.
- On a sampling basis, we arrange for independent services providers to check the chemical composition of our incoming raw materials. This is to make sure that the chemical composition conforms to our specifications set forth in our purchase order.

B6 : 產品責任

產品品質

我們致力保障高品質，因我們認為產品品質及一致性對於挽留客戶及擴大市場份額至關重要。我們不僅保持ISO 9001:2008/15品質管理體系(本集團自二零零八年已通過認證)，亦遵守日本客戶要求的最高國際標準，包括日本產業標準(JIS)，日本機械標準(JB)及日本機械標準／推薦(JB/T)。我們致力投資新高端廠房、設備及自動化技術以提高生產能力，進而保持競爭優勢並不斷提高品質及可持續性。舉例而言，我們為新機械配備恆溫器以確保溫度穩定，藉此減少迴轉支承出現破裂及產品故障的機率。我們與客戶緊密合作，從而了解最新的產品開發及相關知識。

品質核證程序及過程的主要部分包括：

- 品質核證團隊檢測進料，確保其於數量、規格、序列號、材料、尺寸及實際狀況各方面均符合採購訂單。我們亦會檢查供應商提供的測試報告。對於鍛造環，我們亦會檢查標記或印於其上的序列號，以確保提供的物料正確。
- 我們對鍛造環抽樣進行測量及目視檢查，以查看其表面有否任何缺陷。
- 我們安排獨立服務提供商抽樣檢查收取原材料的化學成分，以確保其符合採購訂單列明的規格。

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- For the steel balls, our inspection team regularly inspects their sphericity and hardness on a sampling basis. We return substandard raw materials to suppliers if they do not pass our inspection.
 - Upon completion of the manufacturing process, our quality assurance department will conduct final quality assurance test on the products, which includes measuring the assembly clearance and whether the outer and inner rings can rotate smoothly.
 - In order to ensure that our heat treatment is carried out properly and up to the standard required by our customers, we take samples from the finished products for tests and dissect them to perform various tests on their precision and accuracy and other quality requirements.
 - We conduct quality testing on all finished products to ensure that they comply with our customers' specifications
- 檢測團隊定期抽樣檢查鋼珠的球度及硬度，並將未通過檢測的不合格原材料退還供應商。
 - 製造過程完成後，品質核證部門將對產品進行最終品質核證測試，內容包括測量裝配間隙以及外環與內環能否順暢轉動。
 - 為確保妥善進行熱處理且符合客戶所規定的標準，我們從製成品中進行抽樣測試，細分製成品以對其精確度及準確度及其他品質規定進行不同測試。
 - 我們對所有製成品進行品質測試，以確保其符合客戶的規格。

Our general warranty policy is to provide a warranty period of 1,500–3,000 hours of operation or one to two years (whichever occurs first), and we will not be liable if the warranty period has expired. If, during the warranty period, our products are found substandard, we will be liable to indemnify our customers of their acquisition costs of the product, and in some instances of the repairing costs and other disbursements.

During the 2021 Reporting Period, heat treatment for the entire work-in-progress was conducted with the average passing rate being approximately 99%. Due to the very specific nature of our products and the requirements for near perfect quality assurance, the Group did not receive any quality complaints or claims against our products. In the coming year, we will continue to stringently control to ensure our near perfect product quality.

一般保修政策為提供運行1,500至3,000小時或一到兩年(以較早發生者為準)的保修期。我們於保修期過後概不承擔任何責任。倘於保修期內發現產品不合規格，我們須向客戶賠償其購買產品的費用，以及在若情況下包括維修及其他費用。

於二零二一年報告期，整體進行中工作的熱處理已進行，平均合格率約為99%。由於我們的產品具有非常特殊的性質及近乎完美的質量保證的要求，本集團並無收到任何針對我們產品的質量投訴或索賠。來年，我們將繼續嚴格控制，確保我們近乎完美的產品質量。

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Handling of Complaints

Policies and procedures are in place to ensure that all customer complaints or concerns are addressed to at the appropriate levels in a timely manner. In our sales contracts, there are clear clauses specifying our responsibilities under quality issues. The Sales Department is responsible for handling all sales complaint issues. Standing arrangements are also in place for an independent third party to adjudicate on any unresolved disputes between the Sales Department and the client. Consequential remedial actions will be taken promptly and in a responsible manner. During the 2021 Reporting Period, we did not receive any quality complaints or claims against our products.

Intellectual Property Right

The Group, up to the end of the 2021 Reporting Period, has built up a portfolio of intellectual property rights including 21 patents registered in the PRC that are material to our business as well as 25 trademarks registered in the PRC and/or Hong Kong.

We primarily rely on trademark and intellectual property laws, and confidentiality agreements with our senior employees, to protect all intellectual property relating to the Group and operations. We purchase and utilise fully licensed software in our operations.

For the 2021 Reporting Period, the Group did not have any of any infringement of its or any other intellectual property rights including which had or could have a material adverse effect on our business, and there were no legal proceedings against the Group. We will continue to maintain similar results on intellectual property rights in the coming years ahead.

處理投訴

本集團已制定政策及程序，務求以適當措施及時解決所有客戶的投訴或疑慮。銷售合約以明確條款規定品質問題的責任歸屬。銷售部門負責處理所有銷售投訴的問題。本集團亦已建立常規安排，容許獨立第三方就銷售部門與客戶之間任何懸而未決的爭議進行裁決。我們以負責任的方式即時採取相應的補救措施。於二零二一年報告期，我們並無收到任何針對我們產品的質量投訴或索賠。

知識產權

本集團截至二零二一年報告期末已建立一系列知識產權，包括21項對我們業務至關重要的中國註冊專利，以及25項於中國及／或香港註冊的商標。

我們主要依靠商標及知識產權法，以及與高級員工的保密協議以保護與本集團及其營運有關的所有知識產權。我們在營運中購買及使用獲充分授權的軟件。

二零二一年報告期內，本集團概無任何侵犯其知識產權或任何其他知識產權的行為，包括對業務已造成或可能造成重大不利影響的行為，並且未有向本集團提出的法律訴訟。我們將於未來數年繼續在知識產權方面維持相似成果。

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Privacy

The Group's main business and operation has generated a substantial volume of private, confidential and sensitive information of customers, suppliers, business partners including the operation status and financial positions, commercial terms of contracts, general background information, patented production technology, etc. These types of information are extremely sensitive and important, and by law, have to be cautiously safeguarded and protected. The Group fully understands its obligation and has taken measures to ensure strictest protection of the information against unauthorized access, use and disclosure through a variety of security technologies and procedures.

The Group fully abides by all relevant laws and regulations regarding privacy and utilization of data. Our employees have been trained to handle the sensitive information during the course of business with due care. The Group has incorporated the Confidential Clause into the Staff Handbook and Employment Contract, under which all employees are obligated to follow.

During the 2021 Reporting Period, same as the 2020 Reporting Period, the Group did not have any incidents of non-compliance with relevant laws and regulations that have a significant impact on the Group relating to advertising, labelling and privacy matters. We also target the same result for the coming years ahead.

B7: Anti-corruption

The Group is well aware of the importance of honesty, integrity and fairness in our business operations and has therefore put in place an anti-corruption policy. All employees are required to declare any conflicts of interests in the execution of their roles and duties. Through the establishment of these rules and regulations, the Group encourages all employees to discharge their duties with integrity and comply with the relevant laws and regulations.

私隱

本集團主要業務及營運產生大量客戶、供應商及業務夥伴的私人、機密及敏感資料，包括經營狀況及財務狀況、合約商業條款、一般背景資料、專利生產技術等。此類信息極為敏感及重要，且根據法律須小心保障及保護。本集團全面理解本身責任，並已採取措施，通過各種安全技術及程序，防止未經授權的存取、使用及披露，從而確保信息得到最嚴格的保障。

本集團全面遵守有關私隱及數據使用的所有相關法律及規定。員工已接受謹慎處理業務過程中敏感信息的培訓。本集團已將機密條款納入員工手冊及僱傭合約，據此，所有員工均須遵守相關規定。

二零二一年報告期內，與二零二零年報告期相同，概無發生對本集團產生重大影響，有關廣告、標籤及私隱事項的法律及法規的任何違規事件。我們亦擬於未來數年取得相同成果。

B7: 反貪污

本集團充分了解誠實、正直及公平對業務營運至關重要，並因此制定反貪污政策。全體員工須於執行職務及職責時申報任何利益衝突。本集團透過制定規則及法規，鼓勵全體員工以誠信履行職責，並遵守相關法律及法規。

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Transactions in large monetary sums are processed through bank transactions which require authorized signatories of the appropriate levels depending on the amount involved. Checks and balances have been installed in the Group for money transaction activities and are considered effective and adequate.

During the 2021 Reporting Period, same as the 2020 Reporting Period, the Group recorded no bribery nor corruption charges and is confident to achieve a similar result for the coming years ahead.

B8: Community Investment

The Group fully understands our social obligations and the need for re-contributing to the society. Through the day-to-day contact with various local government officials and industry leaders, the Group continues to explore and examine what and how the Group can contribute more and in a better way to the local community and society. The Group encourages and supports our staff and workers to participate in voluntary social welfare works such as to give paid leave for such activities.

大額貨幣交易乃通過銀行交易處理，並須按涉及金額獲適當級別簽署授權。本集團已就金錢交易活動制定制衡措施，有關措施被視為有效充分。

二零二一年報告期內，與二零二零年報告期相同，本集團概無接獲任何賄賂或貪污指控，並有信心於未來數年取得類似成果。

B8 : 社區投入

本集團全面理解其社會責任及回饋社會的必要。本集團通過與多名地方政府官員及行業領袖的日常溝通，持續探索及檢討為本地社區及社會作出更多更好的貢獻的類型及方式。本集團鼓勵並支持員工及工人參加社會福利義務工作，方式包括為此類活動提供有薪假期。

Independent Auditor's Report

獨立核數師報告

To the Shareholders of Best Linking Group Holdings Limited

(incorporated in Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Best Linking Group Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”), which are set out on pages 117 to 178, comprise:

- the consolidated balance sheet as at 31 December 2021;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致永聯豐集團控股有限公司股東

(於開曼群島註冊成立之有限公司)

意見

我們已審計的內容

永聯豐集團控股有限公司(「**貴公司**」)及其附屬公司(「**貴集團**」)列載於第117至第178頁的綜合財務報表，包括：

- 於二零二一年十二月三十一日的綜合資產負債表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括主要會計政策概要及其他說明資料。

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會(「**香港會計師公會**」)頒佈之《香港財務報告準則》(「**香港財務報告準則**」)真實而中肯地反映了 貴集團於二零二一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，並已遵照香港《公司條例》的披露規定妥為擬製。

Independent Auditor's Report

獨立核數師報告

BASIS FOR OPINION

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

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

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (“**the Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

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

意見的基礎

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

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會的《專業會計師職業道德守則》(「**守則**」)，我們獨立於 貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

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

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

The key audit matter identified in our audit is related to provision for slow moving inventories.

關鍵審計事項(續)

我們在審計中識別的關鍵審計事項涉及滯銷存貨撥備。

Key Audit Matter

關鍵審計事項

Provision for slow moving inventories

滯銷存貨撥備

Refer to notes 2.19 and 4(a) to the consolidated financial statements for the disclosures of the related accounting policies, judgements and estimates.

有關相關會計政策、判斷及估計，請參閱綜合財務報表附註2.19及4(a)。

As at 31 December 2021, the carrying amount of Group's inventories amounted to HK\$25,575,000 after considering the provision for slow moving inventories of HK\$360,000. Inventories, comprising slewing rings, are carried at the lower of cost and net realisable value in the consolidated balance sheet.

於二零二一年十二月三十一日，於計及滯銷存貨撥備360,000港元後，本集團投資的賬面值為25,575,000港元。存貨(包括迴轉支承)於綜合資產負債表以成本與可變現淨值之較低者計值。

Management determined the provision for slow moving inventories at each period end. The identification of slow moving inventories requires the use of significant judgements and key assumptions which takes into consideration historical sales patterns, ageing and expectations for future sales orders. Such judgement is subject to uncertainties as a result of changes in market trends and customer demands.

管理層於各期末釐定滯銷存貨撥備。滯銷存貨的識別需要使用重大判斷及關鍵假設，而其乃計及過往銷售模式、賬齡及對未來銷售訂單的預期。該等判斷受市場趨勢及客戶要求的變動所導致的不確定因素影響。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Our procedures in relation to management's provision for slow moving inventories include:

我們有關管理滯銷存貨撥備的程序包括：

- We obtained an understanding of the management's internal controls and assessment process of provision for slow moving inventories and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors;
- 我們了解管理層對於滯銷存貨撥備的內部控制及評估流程，並通過考慮估計不確定性計其他固有風險因素的程度，評估重大錯報的固有風險；
- We evaluated and tested key controls by which management identified slow moving inventories and determined the inventory provisions;
- 我們評估及測試管理層識別滯銷存貨及釐定存貨撥備的關鍵監控措施；
- We performed retrospective review to evaluate the outcome of prior period assessment on provision for slow moving inventories to assess the effectiveness of management's estimation process;
- 我們作出追溯性檢視來評估滯銷存貨撥備過往期間的評估結果，以評定管理層的估計流程是否可靠；
- We tested the accuracy of the inventory ageing report on a sample basis by tracing to purchase invoices and delivery documents;
- 我們透過追蹤採購發票及交付文件抽樣測試存貨賬齡報告的準確度；
- We enquired with management about their business plans and reviewed historical sales patterns to understand and assess the expected life cycle of inventories;
- 我們向管理層查詢彼等的業務規劃及經審閱過往銷售模式以了解及評估存貨估計可使用年期週期；

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項(續)

Key Audit Matter 關鍵審計事項

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

Provision for slow moving inventories (Continued) 滯銷存貨撥備(續)

We focused on this area because inventories is a material balance and judgements are involved in estimating the provision for inventories, which is subject to a significant estimation uncertainty and could result in financial impact on the consolidated financial statements.

我們重點關注此範疇乃由於存貨為於估計存貨撥備時所涉及的重大結餘及判斷，其因受限於重大估計不確定性而可能對綜合財務報表造成財務影響。

- For slow moving inventories where management considered provision is not required as they are supported by sales forecast prepared based on historical sales pattern, we analysed, on a sample basis, the reasonableness of management's forecast by comparing the expected sales volume and net realisable value to historical sales patterns and expectation of future sales orders;
- 就管理層認為毋須作出撥備的滯銷存貨(由於根據過往銷售模式編製的銷售預測所支持)而言，我們透過比較預期銷量及可變現淨值與過往銷售模式及未來銷售訂單的預期，抽樣分析管理層預測的合理程度；
- For slow moving inventories where management considered provision is not required as they are supported by secured sales orders, we tested, on a sample basis, the sales orders received from customers and net realisable value of products by comparing the estimated selling price and sales quantity of individual product with the corresponding post year-end sales data; and
- 就管理層認為毋須作出撥備的滯銷存貨(由於有關存貨由有抵押銷售訂單支持)而言，我們透過比較個別產品的估計售價及銷量與相應年末後銷售數據，抽樣測試從客戶接獲的訂單及產品可變現淨值；及
- We tested the mathematical accuracy of the calculation of inventory provision.
- 我們測試存貨撥備計算的算術準確度。

Based on our evidence obtained and procedures performed, we considered the judgements and assumptions made by management in relation to their assessment for provision of slow moving inventories were supportable.

根據我們取得的證據及執行的工作，我們認為管理層就滯銷存貨撥備評估作出的判斷及假設屬可支持。

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION

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

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

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

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

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

其他信息

貴公司董事須對其他信息負責。其他信息包括刊載於年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任為閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審計委員會就綜合財務報表須承擔的責任

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

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

審計委員會須負責監察貴集團的財務報告過程。

Independent Auditor's Report

獨立核數師報告

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

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

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

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

核數師就審計綜合財務報表須承擔的責任

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

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

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

Independent Auditor's Report

獨立核數師報告

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

(Continued)

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

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

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

核數師就審計綜合財務報表須承擔的責任(續)

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

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

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，用以消除對獨立性產生威脅的行動或採取的防範措施。

Independent Auditor's Report

獨立核數師報告

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

(Continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chan Hin Gay, Gabriel.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 22 March 2022

核數師就審計綜合財務報表須承擔的責任(續)

從與審計委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是陳顯基。

羅兵咸永道會計師事務所

執業會計師

香港，二零二二年三月二十二日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

		Note	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
		附註		
Revenue	收益	5	132,250	69,499
Cost of sales	銷售成本	6	(77,740)	(43,362)
Gross profit	毛利		54,510	26,137
Other income	其他收入	8	382	632
Other losses, net	其他虧損淨額	9	(465)	(1,047)
Selling and distribution expenses	銷售及分銷開支	6	(2,106)	(1,080)
Administrative expenses	行政開支	6	(10,472)	(8,346)
Operating profit	經營溢利		41,849	16,296
Finance income	融資收入	11	24	69
Finance cost	融資成本	11	(7)	(113)
Finance income/(cost), net	融資收入/(成本)淨額		17	(44)
Profit before income tax	除所得稅前溢利		41,866	16,252
Income tax expense	所得稅開支	12	(6,780)	(2,608)
Profit for the year attributable to owners of the Company	本公司擁有人應佔年內溢利		35,086	13,644
Other comprehensive income	其他全面收益			
<i>Items that may be reclassified to profit or loss</i>	<i>可能重新分類至損益的項目</i>			
Currency translation differences	貨幣換算差額	22	1,371	3,032
Total comprehensive income for the year	年內全面收益總額		36,457	16,676
Earnings per share for profit attributable to equity holders of the Company for the year	本公司權益持有人應佔年內溢利的每股盈利			
Basic and diluted earnings per share (HK cents per share)	每股基本及攤薄盈利 (每股港仙)	13	8.8	3.4

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

上述綜合全面收益表應與隨附附註一併閱讀。

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2021 於二零二一年十二月三十一日

			2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
		Note 附註		
Assets	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	13,088	8,507
Prepayments and deposits	預付款項及按金	18	5,850	4,261
Deferred tax assets	遞延稅項資產	27	107	78
			19,045	12,846
Current assets	流動資產			
Inventories	存貨	19	25,575	23,867
Trade receivables	貿易應收款項	17	38,895	22,028
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	18	4,298	5,564
Current income tax recoverable	可收回即期所得稅		–	152
Cash and cash equivalents	現金及現金等價物	20	56,387	43,130
			125,155	94,741
Total assets	資產總值		144,200	107,587
Equity and liabilities	權益及負債			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	21	4,000	4,000
Reserves	儲備	22	125,531	97,074
Total equity	權益總額		129,531	101,074

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2021 於二零二一年十二月三十一日

		Note 附註	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Liabilities	負債			
Non-current liability	非流動負債			
Lease liabilities	租賃負債	23	–	79
			–	79
Current liabilities	流動負債			
Trade payables	貿易應付款項	24	8,343	4,465
Accruals and other payables	應計費用及其他應付款項	25	1,901	1,868
Current income tax liabilities	即期所得稅負債		4,346	–
Lease liabilities	租賃負債	23	79	101
			14,669	6,434
Total liabilities	負債總額		14,669	6,513
Total equity and liabilities	權益及負債總額		144,200	107,587

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

上述綜合資產負債表應與隨附附註一併閱讀。

The consolidated financial statements on pages 117 to 178 were approved by the Board of Directors on 22 March 2022 and were signed on its behalf.

第117至178頁的綜合財務報表已由董事會於二零二二年三月二十二日批核，並代表董事會簽署。

Chan Yuk Pan

陳焯彬

Director

董事

Chan Lung Pan

陳龍彬

Director

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

		Attributable to owners of the Company						Total
		本公司擁有人應佔						
		Share capital	Share premium	Capital reserve	Statutory reserve	Exchange reserve	Retained earnings	
		股本	股份溢價	資本儲備	法定儲備	匯兌儲備	保留盈利	總計
		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
		(Note 21)	(Note 21)	(Note 22)	(Note 22)	(Note 22)		
		(附註21)	(附註21)	(附註22)	(附註22)	(附註22)		
Balance at 1 January 2020	於二零二零年一月一日的結餘							
		4,000	42,511	13,000	2,170	(636)	31,353	92,398
Profit for the year	年內溢利	-	-	-	-	-	13,644	13,644
Other comprehensive income	其他全面收益							
Currency translation differences	貨幣換算差額	-	-	-	-	3,032	-	3,032
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	3,032	13,644	16,676
Transactions with equity holders:	與權益擁有人的交易：							
Dividends paid	已付股息	-	(8,000)	-	-	-	-	(8,000)
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	506	-	(506)	-
		-	(8,000)	-	506	-	(506)	(8,000)
Balance at 31 December 2020	於二零二零年十二月三十一日的結餘	4,000	34,511	13,000	2,676	2,396	44,491	101,074

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2021 截至二零二一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	Capital reserve	Statutory reserve	Exchange reserve	Retained earnings	Total
		股本	股份溢價	資本儲備	法定儲備	匯兌儲備	保留盈利	總計
		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
		(Note 21)	(Note 21)	(Note 22)	(Note 22)	(Note 22)		
		(附註 21)	(附註 21)	(附註 22)	(附註 22)	(附註 22)		
Balance at 1 January 2021	於二零二一年一月一日的結餘	4,000	34,511	13,000	2,676	2,396	44,491	101,074
Profit for the year	年內溢利	-	-	-	-	-	35,086	35,086
Other comprehensive income	其他全面收益							
Currency translation differences	貨幣換算差額	-	-	-	-	1,371	-	1,371
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	1,371	35,086	36,457
Transactions with equity holders:	與權益擁有人的交易：							
Dividends paid	已付股息	-	(8,000)	-	-	-	-	(8,000)
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	529	-	(529)	-
		-	(8,000)	-	529	-	(529)	(8,000)
Balance at 31 December 2021	於二零二一年十二月三十一日的結餘	4,000	26,511	13,000	3,205	3,767	79,048	129,531

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

上述綜合權益變動表應與隨附附註一併閱讀。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2021 截至二零二一年十二月三十一日止年度

			2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
		Note 附註		
Cash flows from operating activities	經營活動現金流量			
Cash generated from operations	經營所得現金	29(a)	31,338	15,963
Income tax paid	已付所得稅		(2,311)	(4,890)
Interest received	已收利息		24	69
Net cash generated from operating activities	經營活動所得現金淨額		29,051	11,142
Cash flows from investing activities	投資活動現金流量			
Purchases of property, plant and equipment	購買物業、廠房及設備		(184)	(1,035)
Payments for construction in progress	在建工程款項		(5,873)	-
Prepayments for purchase of property, plant and equipment	購買物業、廠房及設備的預付款項		(789)	(4,243)
Prepayments for purchase of intangible assets	購買無形資產的預付款項		(800)	-
Net cash used in investing activities	投資活動所用現金淨額		(7,646)	(5,278)
Cash flows from financing activities	融資活動現金流量			
Payment of interest elements of lease liabilities	支付租賃負債利息部分		(7)	(113)
Payment of principal elements of lease liabilities	支付租賃負債本金部分		(101)	(3,757)
Dividends paid	已付股息		(8,000)	(8,000)
Net cash used in financing activities	融資活動所用現金淨額		(8,108)	(11,870)
Increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)		13,297	(6,006)
Cash and cash equivalents at beginning of the year	年初現金及現金等價物		43,130	49,040
Currency translation differences	貨幣換算差額		(40)	96
Cash and cash equivalents at end of the year	年末現金及現金等價物		56,387	43,130

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

上述綜合現金流量表應與隨附附註一併閱讀。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands and its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and trading of machinery product (the “**Business**”).

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) and disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under historical cost convention. The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

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號法例，經綜合及修訂）在開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司（「**聯交所**」）GEM上市。本公司的註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。

本公司為投資控股公司，其附屬公司主要從事製造及買賣機械產品（「**有關業務**」）。

除另有說明外，綜合財務報表以港元（「**港元**」）呈列。

2 重大會計政策概要

編製綜合財務報表時應用的主要會計政策載列於下文。除非另外指明，該等政策於所有呈列年度貫徹使用。

2.1 編製基準

綜合財務報表乃根據所有適用香港財務報告準則（「**香港財務報告準則**」）及香港法例第622章香港公司條例的披露規定編製。綜合財務報表乃根據歷史成本慣例編製。編製符合香港財務報告準則的綜合財務報表需要使用若干關鍵會計估計。在應用本集團會計政策的過程中亦需要管理層行使其判斷。涉及高程度判斷或複雜性的範疇或其假設及估計對綜合財務報表而言屬重大的範疇於附註4披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Amended standards and interpretations

(a) Amended standards adopted by the Group

The Group has applied the following amendments to standard for the first time for their annual reporting period commencing 1 January 2021:

- COVID-19 — Related rent concessions — amendments to HKFRS 16
- Interest Rate Benchmark Reform — Phase 2 — amendment to HKFRS 9, HKAS 39, HKFRS 7 and HKFRS 16

The adoption of the above amendments to standards did not have any significant impact on the significant accounting policies of the Group and the presentation of these consolidated financial statements.

2 重大會計政策概要(續)

2.1 編製基準(續)

2.1.1 經修訂準則及詮釋

(a) 本集團採納的經修訂準則及詮釋

本集團於二零二一年一月一日開始的年度報告期間首次應用以下準則修訂：

- Covid-19相關之租金寬減 — 香港財務報告準則第16號(修訂本)
- 利率基準改革 — 第二階段 — 香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號及香港財務報告準則第16號(修訂本)

採納上述準則的修訂本概無對本集團的重大會計政策及呈報該等綜合財務報表造成任何重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Amended standards and interpretations (Continued)

- (b) *New and amended standards and interpretations which have been issued but are not yet effective and have not been early adopted by the Group:*

Certain new and amended standards and interpretations have been published that are mandatory for financial year beginning on or after 1 January 2022 have not been early adopted by the Group. These are:

	Effective for accounting periods beginning on or after
	於下列日期或之後開始的會計期間生效
Amendments to HKFRS 16	1 April 2021
香港財務報告準則第16號(修訂本)	二零二一年六月三十日過後的Covid-19相關之租金寬減
Amendments to HKFRS 3	1 January 2022
香港財務報告準則第3號(修訂本)	二零二二年一月一日
Amendments to HKAS 16	1 January 2022
香港會計準則第16號(修訂本)	二零二二年一月一日
Amendments to HKAS 37	1 January 2022
香港會計準則第37號(修訂本)	二零二二年一月一日
Amendments to HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41	1 January 2022
香港財務報告準則第1號、香港財務報告準則第9號、香港財務報告準則第16號及香港會計準則第41號(修訂本)	二零二二年一月一日
Amendments to Accounting Guideline 5 (Revised)	1 January 2022
經修改會計指引第5號(修訂本)	二零二二年一月一日
Amendments to HKAS 1	1 January 2023
香港會計準則第1號(修訂本)	二零二三年一月一日
Covid-19-Related Rent Concessions beyond 30 June 2021	二零二一年六月三十日過後的Covid-19相關之租金寬減
Reference to Conceptual Framework	1 January 2022
對概念架構的提述	二零二二年一月一日
Proceeds before intended use	1 January 2022
未作擬定用途前之所得款項	二零二二年一月一日
Onerous contracts — Cost of Fulfilling a Contract	1 January 2022
虧損合約 — 履行合約的成本	二零二二年一月一日
Annual Improvements to HKFRSs 2018-2020 (amendments)	1 January 2022
香港財務報告準則二零一八年至二零二零年之年度改進(修訂本)	二零二二年一月一日
Revised Accounting Guideline 5	1 January 2022
Merger Accounting for Common Control Combinations	1 January 2022
經修改會計指引第5號共同控制合併的併購會計	二零二二年一月一日
Classification of Liabilities as Current or Non-current	1 January 2023
負債分類為流動或非流動	二零二三年一月一日

2 重大會計政策概要(續)

2.1 編製基準(續)

2.1.1 經修訂準則及詮釋(續)

- (b) *已經頒佈但尚未生效，且未獲本集團提早採納的新訂及經修訂準則及詮釋：*
- 若干新訂及經修訂準則及詮釋已經頒佈，必須於二零二二年一月一日或之後開始的財政年度強制應用，惟未獲本集團提早採納。該等準則為：

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Amended standards and interpretations (Continued)

- (b) *New and amended standards and interpretations which have been issued but are not yet effective and have not been early adopted by the Group: (Continued)*

2 重大會計政策概要(續)

2.1 編製基準(續)

2.1.1 經修訂準則及詮釋(續)

- (b) *已經頒佈但尚未生效，且未獲本集團提早採納的新訂及經修訂準則及詮釋：(續)*

		Effective for accounting periods beginning on or after 於下列日期或之後開始的會計期間生效
Amendments to HKAS 8 香港會計準則第8號(修訂本)	Definition of Accounting Estimate 會計估算的定義	1 January 2023 二零二三年一月一日
Amendments to HKAS 1 and HKFRS Practice Statement 2 香港會計準則第1號及香港財務報告準則實務通告第2號(修訂本)	Disclosure of Accounting Policies 會計政策披露	1 January 2023 二零二三年一月一日
Amendments to HKAS 12 香港會計準則第12號(修訂本)	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction 源自單一交易的資產及負債之相關遞延稅項	1 January 2023 二零二三年一月一日
Hong Kong Interpretation 5 (2020) 香港詮釋第5號(二零二零年)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause 財務報表呈報 — 借款人將載有按要求償還條款的定期貸款分類	1 January 2023 二零二三年一月一日
HKFRS 17 香港財務報告準則第17號	Insurance Contracts 保險合同	1 January 2023 二零二三年一月一日
Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及香港會計準則第28號(修訂本)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 投資者與其聯營公司或合營公司之間的資產出售或注資	To be determined 待定

The Group is in the process of making an assessment of the impact of these new standards, amendments to standards and interpretations of HKFRS and is not yet in a position to state whether they would have a significant impact on the Group's results and financial position.

本集團正評估該等新訂準則、準則修訂本以及香港財務報告準則詮釋之影響，仍未能確定有關準則對本集團之業績及財務狀況會否造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries

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

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

2.3 Separate financial statements

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

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

2.4 Segment reporting

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

2 重大會計政策概要(續)

2.2 附屬公司

附屬公司為本集團對其具有控制權的實體(包括結構性實體)。當本集團承受或享有參與實體所得之可變回報的風險或權利，且有能力透過其對實體之權力影響該等回報時，則本集團控制該實體。附屬公司的賬目自控制權轉讓予本集團之日起全部綜合入賬，並自該控制權終止之日起停止綜合入賬。

集團內公司間交易、集團公司間之交易結餘及未變現收益須予對銷。未變現虧損亦予對銷，除非交易提供轉讓資產的減值憑證。附屬公司之會計政策已在必要時作出變動，以確保其與本集團所採納之政策一致。

2.3 獨立財務報表

於附屬公司之投資按成本值扣除減值入賬。成本值包括投資之直接應佔成本。附屬公司之業績在本集團賬目內按已收及應收股息入賬。

倘自附屬公司收取之股息超出宣派股息期間該附屬公司之全面收益總額，或倘獨立財務報表之投資賬面值超出綜合財務報表被投資公司之淨資產(包括商譽)之賬面值，則在接獲該等投資之股息時須對該等附屬公司之投資進行減值測試。

2.4 分部呈報

經營分部的呈報方式與提供予主要經營決策者(「主要經營決策者」)的內部報告的方式一致。主要經營決策者(負責分配資源及評估經營分部的表現)已被識別為作出策略決定的執行董事。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated 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 ("HK\$"), which is the Company's functional and the Company's and the Group's presentation currency.

(ii) Transactions and balances

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

All foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within "other losses, net".

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

2 重大會計政策概要(續)

2.5 外幣換算

(i) 功能及呈列貨幣

本集團每個實體的綜合財務報表中所列的項目均以該實體營運所在的主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以港元(「港元」)呈列，港元為本公司之功能貨幣及本集團之呈列貨幣。

(ii) 交易及結餘

外匯交易使用交易日期的現行匯率換算為功能貨幣。因結算有關交易及按年末匯率換算以外幣計值的貨幣資產及負債而產生的匯兌收益及虧損一般於綜合全面收益表內確認。

所有匯兌收益及虧損均於綜合全面收益表內呈列為「其他虧損淨額」。

以外幣公平值計量的非貨幣項目，會以釐訂公平值當日的匯率進行匯兌。以公平值計量的資產與負債，其匯兌差額會視作公平值損益的一部分呈報。例如，按公平值計入損益的權益等非貨幣資產及負債，其匯兌差額會在損益中確認為公平值損益的一部分，而分類為按公平值計入其他全面收益的權益等非貨幣資產，其匯兌差額會在其他全面收益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation (Continued)

(iii) Group companies

The results and financial positions of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of comprehensive income 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 rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

2.6 Property, plant and equipment

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

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

2 重大會計政策概要(續)

2.5 外幣換算(續)

(iii) 集團公司

對於功能貨幣與呈列貨幣不同的所有本集團實體(該等實體概無極高通脹經濟的貨幣),其業績及財務狀況按下列方式換算為呈列貨幣:

- 各資產負債表所呈列的資產及負債按該資產負債表日期的收市匯率換算;
- 各全面收益表的收入及開支按平均匯率換算(除非該平均匯率並非交易日期現行匯率累計影響的合理相似值,則在此情況下,有關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於其他全面收益內確認。

2.6 物業、廠房及設備

物業、廠房及設備按歷史成本扣除累計折舊及累計減值虧損(如有)入賬。歷史成本包括收購項目直接應佔之開支。

只有當後續成本很可能為本集團帶來與該項目有關的未來經濟利益,而該項目的成本能可靠計量時,方包括在資產的賬面值或確認為一項獨立資產(倘適用)。重置部份的賬面值取消確認。所有其他維修及保養在其產生的財政期間內於綜合全面收益表扣除。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Property, plant and equipment (Continued)

Depreciation of property and equipment is calculated using the straight line method to allocate their cost to their residual values over its estimated useful lives, as follows:

Plant and machinery	10 years
Office equipment	5 years
Motor vehicles	3 years
Leasehold improvements	Shorter of lease terms and useful lives

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other losses, net" in the consolidated statement of comprehensive income.

2.7 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2 重大會計政策概要(續)

2.6 物業、廠房及設備(續)

物業及設備的折舊乃採用直線法按其估計可使用年期分攤其成本至其剩餘價值，情況如下：

廠房及機械	10年
辦公設備	5年
汽車	3年
租賃改進	根據租期及可使用年期，取較短期者

資產的剩餘價值及可使用年期於各報告期末均會進行檢討，並在適當情況下作出調整。

倘資產賬面值高於其估計可收回金額(附註2.8)，則會立即將該資產的賬面值撇減至其可收回金額。

出售的收益或虧損透過將所得款項與賬面值比較而釐定，並於綜合全面收益表「其他虧損淨額」內確認。

2.7 非金融資產減值

須作攤銷的資產會於有事件或情況變化顯示賬面值可能無法收回時就減值進行檢討。減值虧損按資產賬面金額超過其可收回金額予以確認。可收回金額為扣除出售成本後的資產公平值與使用價值中的較高者。就減值評估而言，資產按可單獨辨認的最小現金流量產生單位(現金產生單位)予以分組。經減值的非金融資產(不包括商譽)於各報告期末檢討撥回減值的可能性。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets

(a) Classification

The Group classifies its financial assets as those to be measured at amortised cost.

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

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

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

(c) Measurement

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

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. Assets that are held for collection of contractual cash flows where those cash flows represented solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other losses, net" together with foreign exchange gains and losses.

2 重大會計政策概要(續)

2.8 金融資產

(a) 分類

本集團將其金融資產分為按攤銷成本計量。

分類取決於實體管理金融資產的業務模式及現金流的合約條款而定。

當且僅當管理該等資產的業務模式變動時，本集團對債務工具重新分類。

(b) 確認及取消確認

正常渠道的金融資產買賣於交易日期確認，交易日期即本集團承諾收購或出售資產的日期。金融資產在收取金融資產現金流的權利屆滿或已轉讓及本集團將擁有權絕大多數風險及回報轉讓時取消確認。

(c) 計量

初步確認金融資產時，本集團會按公平值計量，如該金融資產並非按公平值計入損益，則再加上收購金融資產直接招致的交易成本。按公平值計入損益的金融資產交易成本會於損益支銷。

債務工具其後計量方式取決於本集團管理資產的業務模式及資產的現金流特點。倘資產持有目的為收取合約現金流，且該等現金流全部為本金及利息付款，則按攤銷成本計量。該等金融資產的利息收入使用實際利率法計入融資收入。取消確認的任何收益或虧損直接於損益確認及連同匯兌收益及虧損於「其他虧損淨額」呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Impairment of financial assets

The Group assess on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. Note 3 details how the Group determine whether there has been a significant increase in credit risk.

2.10 Financial liabilities

(a) Classification and measurement

Financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(b) Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

2 重大會計政策概要(續)

2.9 金融資產減值

本集團按前瞻性基準評估與其按攤銷成本列賬的債務工具相關的預期信貸虧損。所使用的減值方法取決於信貸風險是否大幅提高。

對於貿易應收款項，本集團使用香港財務報告準則第9號所允許的簡化法，其要求自資產初次確認起確認預期全期虧損。撥備矩陣基於具有類似信貸風險特點的貿易應收款項預期年內過往觀察所得違約率釐定並就前瞻性估計作出調整。於各報告日期，過往觀察所得違約率會予以更新，並會分析前瞻性估計的變動。附註3詳述本集團釐定信貸風險是否大幅提高的方式。

2.10 金融負債

(a) 分類及計量

金融負債以有效利息法分類為按攤銷成本計量。利息開支及匯兌收益及虧損乃於損益內確認。取消確認的任何收益或虧損亦於損益內確認。

(b) 取消確認

本集團於金融負債的合約責任已履行、註銷或到期時取消確認金融負債。本集團亦於金融負債的條款遭修訂及經修訂負債的現金流有實質變化時取消確認金融負債。在此情況下，以經修訂條款為基準的新金融負債按公平值確認。所取消金融負債的賬面值與修訂條款後的新金融負債之間的差額於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

2.12 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See note 17 for further information about the Group's accounting for trade receivables and note 2.9 for a description of the Group's impairment policies.

2.13 Inventories

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

2 重大會計政策概要(續)

2.11 抵銷金融工具

當本集團現時有法定可執行權利可抵銷已確認金額，並擬按淨額基準結算或同時變現資產及結算負債時，金融資產與負債可互相抵銷，並呈報其淨額。本集團亦已訂立不符合抵銷條件但允許在若干情況下（如破產或終止合約）撇銷有關金額的安排。

2.12 貿易及其他應收款項

貿易應收款項為在日常業務過程中就已售商品或服務履行而應收客戶的款項。該等款項一般於30日內到期結算，因此被分類為流動資產。

貿易應收款項始初按可無條件獲得的代價金額進行初始確認。但當其包含重大融資成分時，按公平值確認。本集團以收取合約現金流為目的持有貿易應收款項，故其後以實際利率法按攤銷成本計量貿易應收款項。有關本集團貿易應收款項會計及本集團減值政策的進一步詳情，請分別見附註17及附註2.9。

2.13 存貨

原材料及庫存、在建工程及成品以成本值及可變現淨值兩者的較低者列賬。成本包括直接材料、直接勞動力及適當比例的可變及固定其他開支（後者按正常經營能力基準分配）。成本乃按加權平均成本基準撥至個別存貨項目。購入存貨的成本於扣除回贈及折扣後釐訂。可變現淨值為於日常業務過程內的估計售價減估計完成所需成本及銷售所需的估計成本計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include deposits held at call with banks and cash on hand.

2.15 Share capital

Ordinary shares are classified as equity.

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

2.16 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Current and deferred income tax

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

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

2 重大會計政策概要(續)

2.14 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括存放於銀行的活期存款及手頭現金。

2.15 股本

普通股被分類為權益。

發行新股份直接應佔增加成本在權益內列為所得款項的扣減(除稅後)。

2.16 貿易及其他應付款項

貿易應付款項為於日常業務過程中向供應商購買商品或服務而履行付款的責任。倘款項於一年或以內(或在更長的正常業務經營週期以內)到期應付，貿易及其他應付款項則分類為流動負債。否則，有關款項會呈列為非流動負債。

貿易及其他應付款項初步按公平值確認，其後以實際利率法按攤銷成本計量。

2.17 即期及遞延所得稅

期內所得稅開支或抵免為當前期間根據各司法權區的適用所得稅稅率的應課稅收入的應納稅項(就暫時性差額應佔遞延稅項資產及負債變動作出調整)。

即期所得稅

即期所得稅支出根據本公司及其附屬公司及聯營公司業務經營所在及產生應課稅收入的國家於報告期末已頒佈或實質上已頒佈的稅務法例計算。管理層就適用稅務法例解釋所規限的情況定期評估報稅表的狀況，考慮稅務機構有否可能接納不確定稅務處理。本集團根據最有可能的金額或預期值衡量其稅收餘額，其取決於能更好地預測解決不確定性的方法。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Current and deferred income tax (Continued)

Deferred income tax

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

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

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

2 重大會計政策概要(續)

2.17 即期及遞延所得稅(續)

遞延所得稅

遞延所得稅採用負債法就資產及負債的稅基與其在綜合財務報表中的賬面值之間的暫時差額予以悉數撥備。然而，若遞延稅項負債來自初步確認商譽時，則不予確認。若遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初步確認，而在交易時不影響會計或應課稅損益，且不會招致等額的應課稅及可扣稅暫時差額則不作記賬。遞延所得稅採用在報告期末前已頒佈或實質上已頒佈，並在有關遞延所得稅資產實現或遞延所得稅負債結算時預期將會應用的稅率(及法例)而釐定。

遞延稅項資產僅在未來應課稅金額將可用於利用該等暫時差異及虧損時予以確認。倘本集團能控制撥回暫時差額的時間及該等差異很可能不會於可見將來撥回，則不會就海外業務投資賬面值與稅基之間的暫時差額確認遞延稅項負債及資產。

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Retirement benefits plans

The Group contributed to a mandatory provident fund scheme (the "MPF Scheme") which is a defined contribution plan and is available to all employees in Hong Kong. Contributions to the MPF Scheme by the Group and employees are calculated as a percentage of employees' basic salaries. The MPF Scheme cost charged to profit or loss represents contributions payable by the Group to the MPF Scheme.

The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

Full time employees of the Group's PRC entity participate in a government mandated multi-employer defined contribution plan pursuant to which certain pension benefits, medical care, unemployment insurance, employee housing fund and other these benefits based on certain percentage of the employees' salaries. Full time employees who have passed the probation period are entitled to such benefits.

The Group has no further payment obligations once the contributions have been paid. The contribution are recognised as employee benefit expenses when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The Group did not have defined benefit plans.

2 重大會計政策概要(續)

2.18 僱員福利

(i) 短期債務

薪金(包括非金錢利益)及累積病假的負債預期將於僱員提供有關服務的期末後十二個月內悉數償付(其中僱員所提供的有關服務將就彼等截至報告期末止的服務予以確認),並按清償負債時預期將予支付的金額計量。有關負債在資產負債表呈列為即期僱員福利債務。

(ii) 退休福利計劃

本集團向強制性公積金計劃(「強積金計劃」)供款,強積金計劃為一項界定供款計劃,而香港所有僱員均可享有。本集團及僱員於強積金計劃的供款乃按僱員的基本薪金的百分比計算。計入損益的強積金計劃成本指本集團於強積金計劃的應付供款。

強積金計劃的資產與本集團的資產分開,由獨立管理的基金持有。

本集團中國實體的全職僱員參與政府強制性多邊僱主界定供款計劃,據此,僱員享有若干退休金福利、醫療福利、失業保險、僱員住房津貼及其他根據僱員薪金的若干比例計付的該等福利。通過試用期的全職僱員有權享有該等福利。

支付供款後,本集團並無其他付款責任。供款在到期時確認為僱員福利開支,並扣除在供款完全歸屬前離開計劃的僱員沒收的供款。預付供款確認為資產,以可獲得現金退款或可從未來付款中扣除者為限。本集團並無定額福利計劃。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Employee benefits (Continued)

(iii) Bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

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

2.20 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2 重大會計政策概要(續)

2.18 僱員福利(續)

(iii) 花紅計劃

本集團按照計及本公司股東應佔溢利的方程式在作出若干調整後確認花紅負債及開支。本集團於有合約責任或過往慣例已產生推定責任時確認撥備。

2.19 撥備

當本集團因過往事件而產生現有法定或推定責任，而很可能需要資源流出以履行責任，且金額能可靠估計時，則確認撥備，但不會就未來經營損失確認撥備。

如有多項類似責任，在結算中需要資源流出的可能性乃通過整體考慮責任的類別而定。即使與計入同一類別責任的任何一個項目相關的資源流出可能性極微，惟仍須確認撥備。

撥備按預計履行責任將需要的開支以稅前利率計算的現值計量，該利率反映當時市場對貨幣時間值及責任特定風險的評估。因時間推移而增加的撥備確認為利息開支。

2.20 或然負債

或然負債指過往事件可能引致的責任，此等責任需就某一或多項本集團未能完全控制的不確定未來事件會否發生方能予以確認。或然負債亦可能是因過往事件引致的現有責任，此乃由於可能將無需經濟資源流出，或責任金額未能可靠地計量而未予以確認。

儘管或然負債不予確認，惟須在財務報表中披露。當流出資源的可能性有變，致使可能流出資源，則或然負債將被確認為撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of goods in the ordinary course of the Group's activities.

Revenue is recognised when or as the control of the good is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the good may be transferred over time or at a point in time.

Control of the good is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- 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 control of the goods transfers over time, revenue is recognised over the period of the contract 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 goods. Specific criteria where revenue is recognised are described below.

When either party to a contract has performed, the Group presents the contract in the consolidated balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

2 重大會計政策概要(續)

2.21 收益確認

收益按已收或應收代價的公平值計量，即於本集團一般業務過程中就出售貨品已收及應收的款項。

收益乃於商品之控制權轉移至客戶時確認。視乎合約條款及適用於該合約之法律規定，商品之控制權可經過一段時間或於某一時間點轉移。

倘本集團在履約過程中滿足下列條件，則商品之控制權將經過一段時間轉移：

- 提供全部利益，而客戶亦同步收到並消耗有關利益；
- 創建或提升本集團履約時客戶所控制之資產；或
- 並無創建對本集團而言有其他用途之資產，而本集團可強制執行其權利收回累計至今已完履約部份之款項。

倘商品之控制權經過一段時間轉移，收益確認將按整個合約期間已完成履約責任之進度進行。否則，收益於客戶獲得商品控制權之時間點確認。有關確認收益之特定標準的描述如下。

當合約任何一方已履約，本集團於綜合資產負債表呈列合約為合約資產或合約負債，視乎實體履約與客戶付款的關係。

應收款項於本集團對代價擁有無條件權利時入賬。倘僅須時間推移便可收取代價，收取代價的權利即為無條件。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Revenue recognition (Continued)

Revenue is recognised when specific criteria have been met for the Group's activity as described below:

The Group manufactures and sells a range of machinery products and mechanical parts to customers. Sales of goods transferred at a point in time are recognised when control of the products has transferred, being when the products are delivered to the customers, the customer has full discretion over the usage of the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. No element of financing is deemed present as the sales are made with a credit term of 30-120 days, which is consistent with market practice.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers the promised goods to the customer, the Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer the promised goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

2.22 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2 重大會計政策概要(續)

2.21 收益確認(續)

當收益金額符合下述本集團業務的特定準則時，便會確認收益：

本集團製造及向客戶銷售多種機械產品及機械機件。在產品的控制權已轉讓(即產品交付予客戶之時)，客戶擁有使用該等產品的完全酌情權，且概無可能影響客戶接受產品的未履行責任時，確認在某時間點轉讓貨品的銷售。由於銷售均按信貸期30至120日進行，符合行業常規，故並不存在融資因素。

倘於本集團轉讓承諾貨品予客戶前，客戶支付代價或本集團有權收取無條件代價金額，本集團在收取付款或應收款項入賬(以較早者為準)時呈列合約為合約負債。合約負債為本集團就已向客戶收取代價(或代價金額到期)而向客戶轉讓承諾貨品的責任。

2.22 每股盈利

(i) 每股基本盈利

每股基本盈利乃按下列數據計算：

- 除以本公司擁有人應佔利潤，不包括任何普通股以外的服務權益成本
- 除以該財政年度期間已發行普通股的加權平均股份數目，並根據年內發行的普通股的股利調整(扣除庫存股)。

(ii) 每股攤薄盈利

每股攤薄盈利調整計算每股基本盈利所用的數據，計入：

- 與潛在攤薄普通股相關的利息及其他融資成本的除所得稅後影響；及
- 在所有潛在攤薄普通股獲轉換的情況下所發行額外普通股的加權平均數。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.24 Government grants

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

2.25 Leases

The Group leases production factory in PRC and office in Hong Kong. Property leases are typically made for fixed periods of two to ten years. Lease terms are negotiated on an individual basis and contain various terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

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

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

2 重大會計政策概要(續)

2.23 利息收入

利息收入採用實際利息法按時間比例基準確認。

2.24 政府補助

當能夠合理地保證將可收取政府補助，而本集團將會符合所有附帶條件時，政府補助會按其公平值確認。

2.25 租賃

本集團租賃中國廠房及香港辦事處。物業租賃一般按兩年至十年的固定期間作出。租賃條款按個別基準磋商並載有不同條款及條件。租賃協議並無施加任何契約，惟租賃資產未必用作借款用途的擔保。

租賃於租賃資產可供本集團使用當日確認為使用權資產及相關負債。

合約可能包含租賃及非租賃組成部分。本集團按照租賃及非租賃組成部分相應的獨立價格，將合約代價分配至租賃及非租賃組成部分。然而，就本集團作為承租人的房地產租賃而言，其選擇將租賃及非租賃組成部分入賬為單一租賃組成部分，並無將兩者區分。

租賃產生的資產及負債初步按現值計量。租賃負債包括以下租賃付款的淨現值：

- 固定付款(包括實質固定付款)減任何租賃獎勵應收款項；
- 按指數或利率計算的浮動租賃付款，採用於開始日期的指數或利率初步計量；
- 本集團預期根據剩餘價值保證應付的金額；
- 認購期權的行使價(倘承租人合理確定行使該期權)；及
- 終止租賃罰款(倘租期反映承租人行使該期權)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Leases (Continued)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2 重大會計政策概要(續)

2.25 租賃(續)

根據合理確定延續選擇權支付的租賃付款亦計入負債計量之內。

租賃付款使用租賃中隱含的利率進行貼現。倘無法輕易確定該利率(為集團租賃的一般情況),則使用承租人的增量借款利率,即個別承租人在類似經濟環境中按類似條款、抵押及條件借入獲得與使用權資產具有類似價值的資產所需資金而必須支付的利率。

為釐定增量借款利率,本集團在可能情況下,使用個別承租人最近獲得的第三方融資作為出發點作出調整,以反映自獲得第三方融資以來融資條件的變動。

如個別承租人有現成的可觀察攤銷貸款利率(透過近期融資或市場資料),而該利率與租賃的付款情況相若,本集團實體會以該利率作為起始點釐訂增量借款利率。

本集團未來可能根據指數或利率增加可變租賃付款額,而有關指數或利率在生效前不會計入租賃負債。當根據指數或利率對租賃付款作出的調整生效時,租賃負債會根據使用權資產進行重新評估及調整。

租賃付款於本金及財務成本之間作出分配。財務成本在租賃期限內計入損益,以令各期負債餘額產生的利率保持一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Leases (Continued)

Right-of-use assets included the rights to use certain properties under leases which are measured at cost. The initial costs of right-of-use assets include the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

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

2.26 Dividend distribution

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

2.27 Research and development costs

Research and development expenditure is recognised as an expense as incurred and classified under cost of sales.

2 重大會計政策概要(續)

2.25 租賃(續)

使用權資產包括租賃項下若干按成本計量的物業之使用權。使用權資產的初始成本包括以下各項：

- 租賃負債的初始計量金額；
- 在開始日期或之前支付的任何租賃付款減去已收任何租賃優惠；
- 任何初始直接成本；及
- 修復費用。

使用權資產一般於資產可於使用年期或租賃期(以較短者為準)按直線法計算折舊。倘本集團合理確定行使購買選擇權，則使用權資產於相關資產的可使用年內予以折舊。儘管本集團重估呈列於物業、廠房及設備的土地及樓宇，其選擇不重估本集團持有的使用權樓宇。

設備及汽車的短期租賃相關付款及所有租賃低價值資產租賃按直線基準於損益確認為開支。短期租賃為租期12個月或以下的租約。低價值資產包括資訊科技設備及小型辦公室傢俱。

2.26 股息分派

向本公司股東分派股息於本公司股東或董事(倘適用)批准股息期間之綜合財務報表內確認為一項負債。

2.27 研發成本

研發支出於產生及分類為銷售成本後確認為開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, cash flow and fair value interest rate risk and liquidity risk. The Group's overall risk management procedures focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's financial performance.

(i) Foreign exchange risk

The Group operates in Hong Kong and the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollars ("USD") and Renminbi ("RMB"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, which are denominated in these currencies. Since Hong Kong dollar ("HKD") is pegged to USD, the Group believes the exposure of transactions denominated in USD which are entered into the by Group to be insignificant.

During the year ended 31 December 2021, the Group has not entered into any derivative instruments to hedge its foreign exchange exposures (2020: Nil).

During the year ended 31 December 2021, the Group has not entered into any derivative instruments to hedge its foreign exchange exposures (2020: Nil).

3 財務風險及資本風險管理

3.1 財務風險因素

本集團的業務面臨多種財務風險：外匯風險、信貸風險、現金流量及公平值利率風險及流動資金風險。本集團的整體風險管理程序針對難以預測的金融市場，並尋求盡量降低對本集團財務表現所構成的潛在不利影響。

(i) 外匯風險

本集團於香港及中國營運，面對多種貨幣風險產生的外匯風險，主要有關美元（「美元」）及人民幣（「人民幣」）。外匯風險產生自以此等貨幣計值的未來商業交易、已確認資產及負債。由於港元（「港元」）與美元掛鈎，本集團認為本集團訂立以美元計值的交易風險並不重大。

截至二零二一年十二月三十一日止年度，本集團並無訂立任何衍生工具對沖其外匯風險（二零二零年：無）。

於截至二零二一年十二月三十一日止年度，本集團並無訂立任何衍生工具對沖其外匯風險（二零二零年：無）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(i) Foreign exchange risk (Continued)

As at 31 December 2021, if USD has strengthened/weakened by 5% against RMB, and RMB has strengthened/weakened by 5% against HK\$, with all other variables held constant, the post-tax profit for the year would have change mainly as a result of foreign exchange gains/losses on translation of USD and RMB denominated on cash and cash equivalents, trade and other receivables and trade and other payables, as follows:

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Post-tax profit (decrease)/increase		
— USD/RMB exchange rate — Strengthened 5%	1,061	752
— USD/RMB exchange rate — Weakened 5%	(1,061)	(752)
— RMB/HK\$ exchange rate — Strengthened 5%	636	185
— RMB/HK\$ exchange rate — Weakened 5%	(636)	(185)

(ii) Credit risk

(i) Risk management

Credit risk of the Group mainly arises from trade receivables, deposits and other receivables and cash and cash equivalents. Majority of bank deposits are placed with reputable banks and financial institutions. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated balance sheet.

3 財務風險及資本風險管理(續)

3.1 財務風險因素(續)

(i) 外匯風險(續)

於二零二一年十二月三十一日，倘美元兌人民幣升/貶值5%，以及人民幣兌港元升/貶值5%，而所有其他變量保持不變，年度除稅後溢利將有所變動，主要由於轉換以美元及人民幣計值的現金及現金等價物、貿易及其他應收款項及貿易及其他應付款項的匯兌收益/虧損所致，見下文所示：

(ii) 信貸風險

(i) 風險管理

本集團的信貸風險主要來自貿易應收款項、存款及其他應收款項、以及現金及現金等價物。大部分銀行存款存放於信譽良好的銀行及金融機構。最高信貸風險為綜合資產負債表各項金融資產的賬面值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(ii) Credit risk (Continued)

(i) Risk management (Continued)

The Group has policies in place to ensure that credit terms are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the shareholder are of the opinion that adequate provision for uncollectible receivables has been made.

The carrying amounts of trade receivables, deposits and other receivables and cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets.

For the year ended 31 December 2021, 58% (2020: 64%), of the Group's revenue was derived from its top five customers. As at 31 December 2021, 83% of the total trade receivables were due from the Group's top five customers (2020: 61%).

(ii) Impairment of financial assets

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables; and
- other financial assets at amortised cost.

3 財務風險及資本風險管理(續)

3.1 財務風險因素(續)

(ii) 信貸風險(續)

(i) 風險管理(續)

本集團設有政策確保向具備適當信貸紀錄的客戶授出信貸期，且本集團對客戶進行定期信貸評估。本集團過往收回的貿易應收款項及其他應收款項均在入賬撥備範圍內，而股東認為已就不可收回的應收款項作出足夠撥備。

貿易應收款項、按金及其他應收款項與現金及現金等價物的賬面值指本集團就金融資產承受的最大信貸風險。

截至二零二一年十二月三十一日止年度，本集團收益的58%（二零二零年：64%）來自其五大客戶。於二零二一年十二月三十一日，貿易應收款項總額的83%（二零二零年：61%）為應收本集團的五大客戶。

(ii) 金融資產減值

本集團有兩類金融資產受預期信用損失模型所規限：

- 貿易應收款項；及
- 票據及其他應收款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(ii) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade receivables

The Group then determines the provision for expected credit losses by grouping the trade receivables based on shared credit risk characteristics and the days past due, and applying expected credit loss rates to the respective gross carrying amounts of the trade receivables. The expected loss rates are based the probability of a receivable progressing through successive stages of delinquency to write-off. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Asia-Pacific Region annual Gross Domestic Product (the "GDP") growth rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

As at 31 December 2020 and 2021, no provision of impairment for trade receivables were made as the expected loss rate were minimal.

3 財務風險及資本風險管理(續)

3.1 財務風險因素(續)

(ii) 信貸風險(續)

(ii) 金融資產減值(續)

貿易應收款項

本集團根據共同的信貸風險特徵及逾期天數對應收款項進行分組，並對各應收款項的賬面總額採用預期信貸虧損率，從而確定預期信貸虧損準備。預期虧損率乃基於應收款項經過連續的拖欠階段至註銷的概率。過往虧損率作出調整以反映影響客戶結算應收款能力的宏觀經濟因素的當前及前瞻性資料。本集團已將其銷售貨品及服務之國家的亞太地區年度國內生產總值(「GDP」)作為最相關影響因素，並根據對此類因素的預期變化調整過往虧損比率。

當貿易應收賬款合理預期無法收回時會予以撇銷。合理預期無法收回的指標包括(其中包括)債務人未能履行向本集團的還款計劃，且未能作出合約付款。

應收貿易款項的減值虧損於經營溢利內呈列為減值虧損淨額。先前已撇銷之金額其後收回則計入相同條目內。

於二零二零年及二零二一年十二月三十一日，由於預期虧損率極為低，故並無就貿易應收款項作出減值撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(ii) Credit risk (Continued)

(ii) Impairment of financial assets (Continued) Other financial assets at amortised cost

Other financial assets at amortised cost include cash and cash equivalents and other receivables. Impairment on other financial assets are measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Hong Kong unemployment rate and Hong Kong GDP to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. The Group has closely monitored the credit qualities and the collectability of the other financial assets at amortised cost and the loss allowance for other financial assets at amortised cost as at 31 December 2020 and 31 December 2021 was immaterial.

(iii) Cash flow and fair value interest rate risk

The Group has no significant interest-bearing assets or liabilities except for cash and cash equivalents.

Hence our Group's income and operating cash flows are less dependent on changes in market interest rates. Accordingly, our directors are of the opinion that our Group does not have significant cash flow and fair value interest rate risk and no sensitivity analysis is performed.

3 財務風險及資本風險管理(續)

3.1 財務風險因素(續)

(ii) 信貸風險(續)

(ii) 金融資產減值(續)
按攤銷成本計量的其他金融資產
按攤銷成本計量的其他金融資產包括現金及現金等價物及其他應收款項。其他金融資產的減值以12個月的預期信貸虧損或全期預期信貸虧損計量，取決於自初次確認以來的信貸風險是否已顯著增加。倘應收款項的信貸風險自初次確認以來已顯著增加，減值以全期預期信貸虧損計量。過往虧損率作出調整，以反映當前及前瞻性的宏觀經濟因素資料，該等因素影響客戶結算應收款項的能力。本集團認為香港失業率及香港GDP乃最相關的因素，並根據該等因素的預期變化相應調整過往虧損率。本集團已密切監察其他按攤銷成本計量的金融資產的信貸質素及可收回性，而於二零二零年十二月三十一日及二零二一年十二月三十一日按攤銷成本計量的其他金融資產的虧損撥備並不重大。

(iii) 現金流量及公平值利率風險

除現金及現金等價物外，本集團並無重大計息資產或負債。

因此，本集團的收入及經營現金流量不太取決於市場利率的變動。因此，董事認為，本集團並無重大的現金流量及公平值利率風險，並無作出敏感度分析。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(iv) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Our Group's liquidity risk is further mitigated through the availability of financing through its own cash resources to meet its financial commitments. In the opinion of our directors, our Group does not have any significant liquidity risk.

The following tables show the remaining contractual maturities at the end of each reporting period of our Group's financial liabilities based on contractual undiscounted cash flows and the earliest date our Group can be required to pay. Balances due within 12 months equal their carrying balances (including both interest and principal) as the impact of discounting is not significant.

3 財務風險及資本風險管理(續)

3.1 財務風險因素(續)

(iv) 流動資金風險

審慎的流動資金風險管理意味著維持足夠的現金及現金等價物。本集團透過以其本身的現金資源獲得融資，以應付其財務承擔，藉以進一步減低其流動資金風險。董事認為，本集團並無任何重大的流動資金風險。

下表載列以合約未貼現現金流量為基準之本集團金融負債於各報告期末之餘下合約到期日及本集團須付款之最早日期。由於折現的影響不大，於12個月內到期的結餘等於其賬面結餘(包括利息及本金)。

		Repayable on demand 按要求償還 HK\$'000 千港元	Less than 1 year 1年內 HK\$'000 千港元	Between 1 and 2 years 1至2年 HK\$'000 千港元	Between 2 and 5 years 2至5年 HK\$'000 千港元	Over 5 years 5年後 HK\$'000 千港元	Total 合計 HK\$'000 千港元
As at 31 December 2021	於二零二一年 十二月三十一日						
— Trade payables	— 貿易應付款項	-	8,343	-	-	-	8,343
— Accruals and other payables	— 應計費用及其他 應付款項	-	1,139	-	-	-	1,139
— Lease liabilities	— 租賃負債	-	81	-	-	-	81
		-	9,563	-	-	-	9,563
As at 31 December 2020	於二零二零年 十二月三十一日						
— Trade payables	— 貿易應付款項	-	4,465	-	-	-	4,465
— Accruals and other payables	— 應計費用及其他 應付款項	-	1,275	-	-	-	1,275
— Lease liabilities	— 租賃負債	-	108	81	-	-	189
		-	5,848	81	-	-	5,929

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT *(Continued)*

3.2 Capital management

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

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

As at 31 December 2021, the Group did not have any debt owed to other party (2020: Nil).

3.3 Fair value estimation

The carrying amounts of the Group's current financial assets, including trade receivables, deposits and other receivables, cash and cash equivalents, and current financial liabilities, including trade payables and accruals and other payables and lease liabilities approximate their fair values as at the reporting date due to their short maturities.

3 財務風險及資本風險管理 *(續)*

3.2 資本管理

本集團之資本管理目標乃保障本集團能繼續營運，以為股東帶來回報並為其他持份者帶來利益，同時維持最佳之資本結構以減低資金成本。

為了維持或調整資本結構，本集團可能會調整支付予股東的股息金額、向股東發還資金、發行新股或出售資產以減低債務。

於二零二一年十二月三十一日，本集團並無結欠其他方的任何債務(二零二零年：無)。

3.3 公平值之估計

由於其短期性質，本集團於報告日期的流動金融資產(包括貿易應收款項、按金及其他應收款項、現金及現金等價物)及流動金融負債(包括貿易應付款項及應計費用及其他應付款項及租賃負債)之賬面值與其公平值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

(a) Provision for slow moving inventories

The Group makes provision for slow moving inventories based on assessing the needs and reasonableness of provision for slowing moving inventories at each period end. The identification of slow moving inventories requires the use of judgements and key assumptions which take into consideration of historical sales pattern, ageing and expectation of future sales orders. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and provision for inventories in the period in which such estimate has been changed.

(b) Impairment of right of use assets

The Group leased land and buildings in the PRC for the purposes of its office premises and manufacturing plant under an operating lease of 10 years where the leased land and buildings, classified as right of use assets of the Group were without land and property ownership certificates and the construction planning permit. Without the certificates and permit, the existing land and buildings might be ordered for demolition or confiscated and the lease may be deemed as invalid. Our directors are of the opinion, based on the advice from the Group's external legal adviser, that the title defect of the leased land and buildings does not affect the operation of production facility of the Group. It is unlikely to be terminated or interrupted or to have a material effect on the carrying amount of the right of use assets which was included in right of use assets totalling HK\$2,816,000 as at 31 December 2021 (2020: HK\$3,350,000).

4 關鍵會計估計及判斷

估計及判斷將獲持續評估，按過往經驗及其他因素為準，包括於有關情況下被視為合理之對日後事件的預期。

本集團對未來作出估計及假設。顧名思義，會計估計很少等同相關實際情況。下文論述可能會導致於下個財政年度內對資產及負債之賬面值作出重大調整之重大風險之估計及假設。

(a) 滯銷存貨撥備

本集團於各期末根據評估需求及滯銷存貨撥備是否合理為滯銷存貨計提撥備。識別滯銷存貨需要行使判斷及關鍵估計，當中考慮到過往銷售模式、貨齡及未來銷售訂單預期。倘預測有別於原先估計，則該差異將影響存貨的賬面值及有關估計改變期間的存貨撥備。

(b) 使用權資產減值

本集團就辦公室物業及製造廠房於中國租賃土地及樓宇，經營租賃為期10年，而分類為本集團的使用權資產的租賃土地及樓宇並無土地及物業所有權證及建設工程規劃許可證。如無該等證書及許可證，現有土地及樓宇可能被勒令清拆或沒收及租賃可能被視作無效。董事認為，根據本集團外部法律顧問的意見，租賃土地及樓宇的業權缺陷並不影響本集團生產設施的營運。其不大可能被終止或中斷或對使用權資產賬面值造成重大影響，有關金額計入使用權資產，於二零二一年十二月三十一日為2,816,000港元(二零二零年：3,350,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(c) Income taxes

The Group is subject to income taxes mainly in Hong Kong and the PRC. Significant judgement is required in determining provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the periods in which such determination are made.

(d) Loss allowance of receivables

The Group makes provision for impairment of receivables based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's historical default rates, existing market conditions as well as forward looking estimates at the end of each reporting period. The Group recognised lifetime expected credit loss for trade receivables carried at amortised cost based on either individually customers who are long overdue with significant amounts or known insolvencies or non-response to collection activities, or collectively assessing them for likelihood of recovery based on ageing of the balances with similar risk characteristics taking into account the forward looking information. The identification of impairment of receivables requires the use of judgement and estimates. Where the expectations are different from the original estimates, such differences will impact the carrying value of receivables and loss for the impairment of receivables recognized in the periods in which such estimates have been changed.

4 關鍵會計估計及判斷 *(續)*

(c) 所得稅

本集團主要在香港及中國繳納所得稅。在釐定所得稅撥備時須作出重大判斷。在日常業務過程中，多項交易及計算方式的最終稅項釐定並不明確。倘該等事宜的最終稅務結果與最初入賬的金額不同，該等差額將會影響作出有關釐定期間的所得稅及遞延所得稅撥備。

(d) 應收款項虧損撥備

本集團根據有關違約風險及預期虧損率的假設計提應收款項減值撥備。本集團於作出假設時行使判斷，並根據本集團於各報告期末的過往違約機率、現行市場狀況及前瞻性估計，挑選用於減值計算的輸入資料。本集團確認按攤銷成本列賬之貿易應收款項之全期預期信貸虧損，乃基於長期逾期重大金額或已知無力償債或未對收回活動作出回應之個別客戶，或在考慮前瞻性資料的情況下，根據具有類似風險特徵之結餘賬齡對該等客戶進行集體評估以確定追回之可能性。識別應收款項減值須運用判斷及估計。倘預期與原本估計存在差異，該等差額將會影響於有關估計變動的期間確認的應收款項賬面值及應收款項減值虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION

The CODM has been identified as the executive directors of our Group. Management has determined the operating segments based on the information reviewed by our executive director for the purpose of allocating resources and assessing performance. The only component in internal reporting to the executive directors is our Group's manufacturing and trading of machinery products for the year ended 31 December 2021. In this regard, management considers there is only one operating segment under the requirements of HKFRS 8 "Operating Segments".

The directors assess the performance of the operating segment based on a measure of revenue and gross profit.

All of our Group's revenue are from contracts with customers and are recognised at a point in time. Please refer to note 2.21 for details of accounting policies on revenue recognition.

(a) Revenue from major customers who have individually contributed 10% or more of total revenue of the Group

For the year ended 31 December 2021, there were three customers (2020: four), which individually contributed over 10% of our Group's total revenue. Revenue contributed from our major customers were as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Customer A	客戶 A	23,609	13,053
Customer B	客戶 B	17,684	N/A 不適用
Customer C	客戶 C	16,601	8,043
Customer E	客戶 E	N/A 不適用	10,109
Customer F	客戶 F	N/A 不適用	7,159

* The corresponding customers did not contribute over 10% of total revenue of the Group for the respective years.

5 收益及分部資料

主要營運決策人識別為本集團的執行董事。為分配資源及評估表現，管理層已按執行董事審閱的資料釐定經營分部。截至二零二一年十二月三十一日止年度，向執行董事內部呈報的唯一部分為本集團的製造及買賣機械產品。就此而言，根據香港財務報告準則第8號「經營分部」的規定，管理層認為僅有一個經營分部。

董事根據收益及毛利計量評估經營分部的表現。

本集團的所有收益均來自客戶合約，並於某一時間點確認。有關收益確認會計政策的詳情，請參閱附註2.21。

(a) 來自個別貢獻本集團總收益10%或以上的主要客戶的收益

截至二零二一年十二月三十一日止年度，有三名（二零二零年：四名）客戶個別貢獻本集團總收益10%以上。主要客戶貢獻的收益載列如下：

* 相應客戶於相關年度並無貢獻本集團總收益10%以上。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment revenue by customers' geographical location

Our Group is domiciled in the PRC and Hong Kong. Our Group's revenue by geographical location, which is determined by the location of customers, is as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Singapore	新加坡	45,858	24,120
Hong Kong	香港	40,961	18,134
Philippines	菲律賓	20,007	1,215
Malaysia	馬來西亞	10,412	8,555
Japan	日本	7,171	3,421
Taiwan	台灣	1,494	823
New Zealand	新西蘭	1,439	58
The PRC	中國	1,436	1,391
Vietnam	越南	1,379	498
Northern Ireland	北愛爾蘭	1,215	10,109
Thailand	泰國	-	1,009
Others (Note)	其他(附註)	878	166
		132,250	69,499

Note:

Others include Canada, Iceland and Korea.

附註：

其他包括加拿大、冰島及南韓。

5 收益及分部資料(續)

(b) 按客戶地理位置劃分的分部收益

本集團位於中國及香港。本集團按地理位置(根據客戶位置釐定)劃分的收益載列如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION (Continued)

(c) Details of contract liabilities (Note 25)

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Contract liabilities, included in accruals and other payables	合約負債，計入應計費用及其他應付款項	4	8

Note:

As at 31 December 2021, contract liabilities represent advanced payments received from the customers for goods that have not yet been transferred to the customers, the contract liabilities mainly included the advance payments received from sale of machinery products. The contract liabilities decreased during the year due to fluctuation in sales with advanced payments.

附註：

於二零二一年十二月三十一日，合約負債指就尚未轉移予客戶的貨品收取的預付款項。合約負債主要包括銷售機械產品所收取的預付款項。於本年度，合約負債因涉及預付款項的銷售波動而下降。

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Revenue recognised that was included in the contract liability balance at the beginning of the year	計入年初合約負債結餘的已確認收益	8	175
Sales contracts	銷售合約		

As at 31 December 2021, all performance obligations not yet satisfied by the Group were from contracts with original expected duration of less than one year. Therefore, as permitted by the relevant practical expedient under HKFRS 15 "Revenue from Contracts with Customers", the transaction price allocated to these unsatisfied performance obligations were not disclosed.

於二零二一年十二月三十一日，本集團尚未履行的履約責任全部均來自原來預計為期少於一年的合約。因此，誠如香港財務報告準則第15號「來自客戶合約的收益」下相關實際權宜法所允許，分配至該等尚未履行履約責任的交易價格並無披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 REVENUE AND SEGMENT INFORMATION (Continued)

(d) Non-current assets by geographical location

The total of non-current assets other than financial instruments and deferred tax assets, broken down by location of the assets, is shown in the following:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
The PRC	中國	18,006	12,535
Hong Kong	香港	932	233
		18,938	12,768

5 收益及分部資料(續)

(d) 按地理位置劃分的非流動資產

按資產所在地劃分的非流動資產總值(財務工具及遞延稅項資產除外)明細列示如下:

6 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses and administrative expenses are analysed as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Cost of inventories and consumable (Note 19)	存貨及消耗品成本(附註19)	69,982	36,865
Provision/(reversal) for slow moving inventories, net (Note 19)	滯銷存貨撥備/(撥回)淨額(附註19)	22	(3)
Employee benefit expenses, including directors' emoluments (Note 7)	僱員福利開支, 包括董事酬金(附註7)	10,620	8,027
Amortisation	攤銷	-	76
Depreciation (Note 15)	折舊(附註15)	1,835	1,734
Legal and professional fees	法律及專業費用	1,688	1,563
Auditors' remuneration	核數師薪酬		
— Audit services	— 審計服務	1,050	950
— Non-audit services	— 非審計服務	50	50
Utilities	公共服務	761	610
Transportation expenses	運輸開支	1,873	866
Other expenses	其他開支	2,437	2,050
Total cost of sales, selling and distribution expenses and administrative expenses	銷售成本、銷售及分銷開支及行政開支總額	90,318	52,788

6 按性質劃分的開支

計入銷售成本、銷售及分銷開支及行政開支的開支分析如下:

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS

(a) Employee benefit expenses

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Wages, salaries, bonuses and other benefits	9,849	7,843
Retirement benefit costs		
— defined contribution plans	695	125
Mandatory provident fund scheme	76	59
	10,620	8,027

(b) Five highest paid individuals

The five individuals whose remuneration were the highest in the Group include two directors for the year ended 31 December 2021 (2020: two), whose remuneration are reflected in the analysis presented in Note 10(a) below.

The remuneration paid to the remaining three individuals for the year ended 31 December 2021 (2020: three) are as follows:

7 僱員福利開支，包括董事酬金

(a) 僱員福利開支

(b) 五名最高薪個人

截至二零二一年十二月三十一日止年度，本集團中薪酬最高的五名個人包括兩名(二零二零年：兩名)董事，其薪酬反映於下文附註10(a)所呈列的分析。

截至二零二一年十二月三十一日止年度，已支付予餘下三名(二零二零年：三名)個人的薪酬載列如下：

	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Wages, salaries, bonuses and other benefits	913	846
Retirement benefit costs		
— defined contribution plans (Note)	18	6
Mandatory provident fund scheme	25	25
	956	877

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS (Continued)

(b) Five highest paid individuals (Continued)

The emolument of the highest paid individuals fell within the following bands:

		2021 二零二一年	2020 二零二零年
Emolument band Nil to HK\$1,000,000	酬金組別 零至 1,000,000 港元	3	3

Note:

No directors or any of the five highest paid individuals received any emoluments from the Group as an inducement to join or upon joining the Group or compensation for loss of office for the year ended 31 December 2021 (2020: Nil).

7 僱員福利開支，包括董事酬金 (續)

(b) 五名最高薪個人 (續)

最高薪個人的酬金屬於以下組別：

附註：

截至二零二一年十二月三十一日止年度，概無董事或任何五名最高薪金個別自本集團收取任何酬金作為加入本集團或加入後的獎勵或離職補償(二零二零年：無)。

8 OTHER INCOME

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Sales of scrapped materials	銷售廢料	302	180
Employment support scheme	保就業計劃	-	198
Government grants	政府補貼	-	240
Sundry income	雜項收入	80	14
		382	632

8 其他收入

9 OTHER LOSSES, NET

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Exchange differences, net	匯兌差異淨額	465	1,047

9 其他虧損淨額

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 BENEFITS AND INTERESTS OF DIRECTOR

(a) Directors' emoluments

The emoluments of individual directors for our Company paid and payable by our Group for the years ended 31 December 2020 and 2021 are set out below:

For the year ended 31 December 2020:

10 董事的福利及權益

(a) 董事的酬金

於截至二零二零年及二零二一年十二月三十一日止年度，本集團已付及應付本公司個別董事的酬金載列如下：

截至二零二零年十二月三十一日止年度：

	Fees	Salaries	Discretionary bonuses	Allowances and benefits in kind	Employer's contribution to pension scheme	Total
	袍金	薪金	酌情花紅	津貼及實物福利	僱主退休計劃供款	總計
	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
Executive directors:						
Mr. YP Chan (Chairman and Chief Executive Officer)						
陳焯彬先生 (主席兼行政總裁)	-	767	-	-	22	789
Mr. Chan Lung Pan						
陳龍彬先生	-	372	-	-	18	390
Independent non-executive directors:						
Mr. Chan Wan Tsun Adrian Alan	180	-	-	-	-	180
Ms. Tsang Hau Lam	144	-	-	-	-	144
Ms. Tam Ho Ting	144	-	-	-	-	144

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 BENEFITS AND INTERESTS OF DIRECTOR (Continued)

(a) Directors' emoluments (Continued)

For the year ended 31 December 2021:

10 董事的福利及權益(續)

(a) 董事的酬金(續)

截至二零二一年十二月三十一日止年度：

		Fees	Salaries	Discretionary bonuses	Allowances and benefits in kind	Employer's contribution to pension scheme	Total
		袍金	薪金	酌情花紅	津貼及實物福利	僱主退休計劃供款	總計
		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
Executive directors:	執行董事：						
Mr. YP Chan (Chairman and Chief Executive Officer)	陳焜彬先生 (主席兼行政總裁)	-	871	-	-	27	898
Mr. Chan Lung Pan	陳龍彬先生	-	412	-	-	18	430
Independent non-executive directors:	獨立非執行董事：						
Mr. Chan Wan Tsun Adrian Alan	陳弘俊先生	180	-	-	-	-	180
Ms. Tsang Hau Lam	曾巧臨女士	144	-	-	-	-	144
Ms. Tam Ho Ting	譚可婷女士	144	-	-	-	-	144

The remuneration shown above represents remuneration received from our Group by these directors in their capacity as employee to the subsidiaries of our Group and no directors waived any emolument during the year ended 31 December 2021 (2020: Nil).

上文所載薪酬指該等董事以本集團附屬公司僱員身份自本集團收取的薪酬，於截至二零二一年十二月三十一日止年度，概無董事放棄任何酬金(二零二零年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 BENEFITS AND INTERESTS OF DIRECTOR (Continued)

(b) Directors' retirement benefits

None of our directors received or will receive any retirement benefits during the year (2020: Nil).

(c) Directors' termination benefits

None of our directors received or will receive any termination benefits during the year (2020: Nil).

(d) Consideration provided to third parties for making available directors services

During the year ended 31 December 2021, our Group did not pay consideration to any third parties for making available directors' services (2020: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 December 2021, there is no loans, quasi-loans and other dealing arrangements in favour of directors, or controlled bodies corporate by and connected entities with such directors (2020: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to our Group's business to which our Group was a party and in which a director of our Company had a material interest, whether directly to indirectly; subsisted at the end of the year or at any time during the year (2020: Nil).

10 董事的福利及權益(續)

(b) 董事的退休福利

於本年度，概無董事收取或將會收取任何退休福利(二零二零年：無)。

(c) 董事的離職福利

於本年度，概無董事收取或將會收取任何離職福利(二零二零年：無)。

(d) 就獲提供董事服務向第三方提供的代價

於截至二零二一年十二月三十一日止年度，本集團並未就獲提供的董事服務而向任何第三方支付代價(二零二零年：無)。

(e) 有關以董事、董事控制的法團及其關連實體為受益人的貸款、類似貸款及其他交易的資料

於截至二零二一年十二月三十一日止年度，概無以董事、董事控制的法團及其關連實體為受益人而訂立任何貸款、類似貸款及其他交易安排(二零二零年：無)。

(f) 董事於交易、安排或合約的重大權益

於年末或於本年度任何時間，概無任何與本集團參與及本公司的董事於其中有重大權益(無論直接或間接)的本集團業務相關的重大交易、安排及合約(二零二零年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

11 FINANCE INCOME/(COST), NET

11 融資收入／(成本)淨額

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Finance income	融資收入		
Interest income on cash and cash equivalents	現金及現金等價物的利息收入	24	69
Finance cost	融資成本		
Interest expenses on lease liabilities	租賃負債的利息開支	(7)	(113)
Finance income/(cost), net	融資收入／(成本)淨額	17	(44)

12 INCOME TAX EXPENSE

12 所得稅開支

The amount of income tax expense charged to the consolidated statement of comprehensive income represents:

於綜合全面收益表內扣除的所得稅開支金額指：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Current income tax	即期所得稅		
— PRC enterprise income tax	— 中國企業所得稅	661	935
— Hong Kong profits tax	— 香港利得稅	6,197	1,725
— Over provision of prior periods	— 過往期間超額撥備	(49)	(38)
Total current income tax	即期所得稅總額	6,809	2,622
Deferred income tax (Note 27)	遞延所得稅(附註27)	(29)	(14)
Income tax expense	所得稅開支	6,780	2,608

(i) Hong Kong profits tax

In accordance with the two-tiered profits tax rates regime effective from 1 January 2018, Hong Kong profits tax is calculated at 8.25% on the first HK\$2,000,000, and 16.5% on the remaining balance of the estimated assessable profits of an operating subsidiary for the year ended 31 December 2021.

(i) 香港利得稅

根據於二零一八年一月一日生效的兩級制利得稅率制度，截至二零二一年十二月三十一日止年度經營附屬公司的首2百萬港元溢利將按8.25%的稅率計算香港利得稅，餘下估計應課稅溢利金額則按16.5%稅率計算香港利得稅。

Notes to the Consolidated Financial Statements

綜合財務報表附註

12 INCOME TAX EXPENSE (Continued)

(ii) The PRC enterprise income tax ("EIT")

Under the Enterprise Income Tax Law of the PRC (the "EIT Law"), the applicable income tax rate for Kyoei Seiki Co., Limited ("Kyoei Seiki") in the PRC is 25%.

Pursuant to the New EIT Law, with respect to a new and high technology enterprise, the tax levied on its income will be charged at a preferential rate of 15% after obtaining the High New Technology Enterprise Certificate (the "Certificate") and completing the tax reduction and exemption filing with the tax authorities. Kyoei Seiki renewed the Certificate when it expired on 8 November 2020 and the renewed Certificate will expire on 8 November 2023. During the years ended 31 December 2020 and 2021, as a result of Kyoei Seiki qualifying for High New Technology Enterprise status, the applicable tax rate of Kyoei Seiki is 15%.

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the Group entities as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	41,866	16,252
Tax calculated at tax rates applicable to profits of the respective subsidiaries	按適用於相關附屬公司溢利的稅率計算稅項	6,652	2,436
Expenses not deductible for tax purposes	不可扣稅開支	399	391
Research and development tax credit (Note)	研發稅項抵免(附註)	(222)	(181)
Over provision of prior periods	過往期間超額撥備	(49)	(38)
Income tax expense	所得稅開支	6,780	2,608

Note:

According to relevant laws and regulations promulgated by the State Tax Bureaus of the PRC, enterprises engaging in research and development activities are entitled to claim 75% of the research and development expenses from 1 January 2017 to 8 November 2023.

12 所得稅開支(續)

(ii) 中國企業所得稅(「企業所得稅」)

根據中國企業所得稅法(「企業所得稅法」)，東莞共榮精密機械有限公司(「共榮精密機械」)於中國的適用所得稅率為25%。

根據新企業所得稅法，就高新科技企業而言，於取得高新科技企業認證(「認證」)及向稅務機關完成稅務扣減及豁免備案手續後，其所得稅將按優惠稅率15%徵收。共榮精密機械於二零二零年十一月八日認證到期時重續認證及經重續認證將於二零二三年十一月八日到期。於截至二零二零年及二零二一年十二月三十一日止年度，由於共榮精密機械符合高新科技企業地位的資格，故共榮精密機械適用稅率為15%。

本集團除所得稅前溢利的稅項與使用本集團實體的已頒佈稅率時所產生的理論性金額之差異如下：

附註：

根據中國國家稅務局頒佈的相關法律及法規，由二零一七年一月一日至二零二三年十一月八日，從事研發活動的企業有權申索研發開支的75%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

13 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of our Company by the weighted average number of ordinary shares in issue. The weighted average number of ordinary shares for such purpose has been retrospectively adjusted for the effects of the issue of shares in connection with the capitalisation of shares (Note 21).

13 每股盈利

每股盈利按本公司擁有人應佔溢利除以已發行普通股加權平均數計算得出。就此而言的普通股加權平均數已就股份資本化而發行股份(附註21)的影響作追溯調整。

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Profit attributable to equity holders of our Company (HK\$'000)	本公司權益持有人應佔溢利(千港元)	35,086	13,644
Weighted average number of shares in issue (thousand)	已發行股份加權平均數(千股)	400,000	400,000
Basic earnings per share (HK cents per share)	每股基本盈利(每股港仙)	8.8	3.4

Diluted earnings per share for the years ended 31 December 2020 and 2021 were the same as the basic earnings per share as there were no potential dilutive ordinary shares outstanding during the years.

截至二零二零年及二零二一年十二月三十一日止年度的每股攤薄盈利與每股基本盈利相同，因為有關年度並無具潛在攤薄效應的已發行普通股。

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綜合財務報表附註

14 SUBSIDIARIES

The Group's principal subsidiaries at 31 December 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly or indirectly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The countries of incorporation or registration are also their principal place of business.

14 附屬公司

本集團於二零二一年十二月三十一日的主要附屬公司列載如下。除另有列明外，其股本僅包括本集團直接或間接持有的普通股及所持擁有權權益比例等同本集團持有的投票權。註冊成立或登記國家亦為其主要營業地點。

Name of subsidiaries 附屬公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定實體類別	Principal activities and place of operation 主要活動及經營地點	Particulars of issued share capital 已發行股本詳情	Ownership interest held by the Group 本集團所持所有者權益	
				2021 二零二一年	2020 二零二零年
Directly held: 直接持有：					
Kyoei Seiki Holdings Limited	The BVI, limited liability company 英屬維爾京群島，有限責任公司	Investment holding in the BVI 於英屬維爾京群島投資控股	1 ordinary share of US\$1 each 1股1美元的普通股	100%	100%
Best Linking Holdings Limited	The BVI, limited liability company 英屬維爾京群島，有限責任公司	Investment holding in the BVI 於英屬維爾京群島投資控股	1 ordinary share of US\$1 each 1股1美元的普通股	100%	100%
Indirectly held: 間接持有：					
Wing Fung Machinery Company Limited 榮豐機械有限公司	Hong Kong, limited company 香港，有限公司	Investment holding in Hong Kong 於香港投資控股	13,000,000 ordinary shares HK\$13,000,000 13,000,000股普通股 13,000,000港元	100%	100%
Best Linking Limited 永聯豐有限公司	Hong Kong, limited company 香港，有限公司	Trading of machinery products in Hong Kong 於香港買賣機械產品	1 ordinary share HK\$1 1股1港元的普通股	100%	100%
Kyoei Seiki Co., Limited 東莞共榮精密機械有限公司	The PRC, limited liability company 中國，有限責任公司	Manufacturing of machinery products in the PRC 於中國製造機械產品	Registered capital of HK\$20,000,000 註冊股本 20,000,000港元	100%	100%

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 PROPERTY PLANT AND EQUIPMENT

15 物業、廠房及設備

		Right of use assets 使用權資產 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Leasehold improvement 租賃翻新 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建項目 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日							
Cost	成本	4,304	1,160	24,480	-	-	-	29,944
Accumulated depreciation	累計折舊	(1,562)	(991)	(19,966)	-	-	-	(22,519)
Net book amount	賬面淨值	2,742	169	4,514	-	-	-	7,425
Year ended 31 December 2020	截至二零二零年十二月三十一日止年度							
Opening net book amount	年初賬面淨值	2,742	169	4,514	-	-	-	7,425
Additions	添置	1,305	54	44	667	270	-	2,340
Disposal	出售	(38)	-	-	-	-	-	(38)
Depreciation	折舊	(649)	(61)	(918)	(99)	(7)	-	(1,734)
Exchange differences	匯兌差異	205	11	248	34	16	-	514
Closing net book amount	年末賬面淨值	3,565	173	3,888	602	279	-	8,507
At 31 December 2020	於二零二零年十二月三十一日							
Cost	成本	5,827	1,294	26,156	707	286	-	34,270
Accumulated depreciation	累計折舊	(2,262)	(1,121)	(22,268)	(105)	(7)	-	(25,763)
Net book amount	賬面淨值	3,565	173	3,888	602	279	-	8,507
Year ended 31 December 2021	截至二零二一年十二月三十一日止年度							
Opening net book amount	年初賬面淨值	3,565	173	3,888	602	279	-	8,507
Additions	添置	62	107	77	-	-	5,873	6,119
Depreciation	折舊	(780)	(41)	(639)	(238)	(137)	-	(1,835)
Exchange differences	匯兌差異	83	7	97	12	5	93	297
Closing net book amount	年末賬面淨值	2,930	246	3,423	376	147	5,966	13,088
At 31 December 2021	於二零二一年十二月三十一日							
Cost	成本	6,037	1,439	26,949	726	294	5,966	41,411
Accumulated depreciation	累計折舊	(3,107)	(1,193)	(23,526)	(350)	(147)	-	(28,323)
Net book amount	賬面淨值	2,930	246	3,423	376	147	5,966	13,088

The right of use assets represents the lease on production factory in the PRC, and office and carpark in Hong Kong.

使用權資產指租賃中國的生產廠房及香港的辦事處及停車場。

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 PROPERTY PLANT AND EQUIPMENT (Continued)

During the year, the amounts of depreciation expense charged to cost of sales and administrative expenses are as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Cost of sales	銷售成本	1,194	1,357
Administrative expenses	行政開支	641	377
		1,835	1,734

15 物業、廠房及設備(續)

於本年度，自銷售成本及行政開支扣除的折舊開支金額如下：

16 FINANCIAL INSTRUMENTS BY CATEGORY

The Group's financial instruments include the following:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Financial assets at amortised costs:			
Trade receivables	按攤銷成本列賬的金融資產 貿易應收款項	38,895	22,028
Deposits and other receivables	按金及其他應收款項	493	54
Cash and cash equivalents	現金及現金等價物	56,387	43,130
		95,775	65,212
Financial liabilities at amortised costs:			
Trade payables	按攤銷成本列賬的金融負債 貿易應付款項	8,343	4,465
Lease liabilities	租賃負債	79	180
Accruals and other payables	應計費用及其他應付款項	1,139	1,275
		9,561	5,920

16 按類別劃分的金融工具

本集團的金融工具包括下列各項：

Notes to the Consolidated Financial Statements

綜合財務報表附註

17 TRADE RECEIVABLES

17 貿易應收款項

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Trade receivables	貿易應收款項	38,895	22,028

As at 31 December 2020 and 2021, the carrying amounts of trade receivables approximated their fair values.

於二零二零年及二零二一年十二月三十一日，貿易應收款項的賬面值與其公平值相若。

The Group's sales are on credit terms primarily from 60 days to 120 days.

本集團的銷售乃按信貸期進行，主要介乎60日至120日。

The ageing analysis of the trade receivables, based on invoice date, are as follows:

根據發票日期，貿易應收款項的賬齡分析如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Up to 30 days	30日以內	20,499	3,174
31-60 days	31至60日	9,768	4,290
61-90 days	61至90日	4,890	5,259
91-120 days	91至120日	3,738	9,305
		38,895	22,028

Notes to the Consolidated Financial Statements

綜合財務報表附註

17 TRADE RECEIVABLES (Continued)

The carrying amounts of the Group's trade receivables were denominated in the following currencies:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
USD	美元	37,181	16,846
RMB	人民幣	268	303
JPY	日圓	-	16
HK\$	港元	1,446	4,863
		38,895	22,028

The maximum exposure to credit risk as at 31 December 2020 and 2021 was the carrying value of the receivables mentioned above. The Group does not hold any collateral as security.

As at 31 December 2020 and 2021, no provision of impairment for trade receivables were made as the expected loss rate were minimal.

17 貿易應收款項(續)

本集團貿易應收款項的賬面值乃以下列貨幣計值：

於二零二零年及二零二一年十二月三十一日的最高信貸風險為上述應收款項的賬面值。本集團並無持有任何抵押品作擔保。

於二零二零年及二零二一年十二月三十一日，由於預期虧損率極為低，故並無就貿易應收款項作出減值撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

18 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

18 預付款項、按金及其他應收款項

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Non-current	非流動		
Prepayments for purchase of property, plant and equipment	就購置物業、廠房及設備的預付款項	5,032	4,243
Prepayments for purchase of computer software	就購買電腦软件的預付款項	800	–
Rental deposits	租賃按金	18	18
		5,850	4,261
Current	流動		
Deposits and other receivables	按金及其他應收款項	475	36
Prepayments for inventories	存貨預付款項	3,823	5,528
		4,298	5,564
Total prepayments, deposits and other receivables	預付款項、按金及其他應收款項總額	10,148	9,825

The carrying amounts of the Group's prepayments, deposits and other receivables were denominated in the following currencies:

本集團預付款項、按金及其他應收款項的賬面值乃以下列貨幣計值：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
RMB	人民幣	6,240	5,798
HK\$	港元	1,107	4,027
USD	美元	1,569	–
JPY	日圓	1,232	–
		10,148	9,825

Notes to the Consolidated Financial Statements

綜合財務報表附註

19 INVENTORIES

19 存貨

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Raw materials	原材料	8,287	6,736
Work in progress	在製品	2,418	2,773
Finished goods	製成品	15,230	14,687
		25,935	24,196
Less: provision for slow moving inventories	減：滯銷存貨撥備	(360)	(329)
		25,575	23,867

The cost of inventories and consumables recognised as expense and included in cost of sales during the year ended 31 December 2021 amounted to HK\$69,982,000 (2020: HK\$36,865,000) (Note 6).

截至二零二一年十二月三十一日止年度，確認為開支並計入銷售成本的存貨及消耗品成本為69,982,000港元(二零二零年：36,865,000港元)(附註6)。

Movements on the provision for slow moving inventories are as follows:

滯銷存貨撥備的變動如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
At 1 January	於一月一日	329	311
Reversal of provision for slow moving inventories (Note 6)	滯銷存貨撥備撥回(附註6)	(50)	(116)
Provision for slow moving inventories (Note 6)	滯銷存貨撥備(附註6)	72	113
Exchange differences	匯兌差額	9	21
At 31 December	於十二月三十一日	360	329

Notes to the Consolidated Financial Statements

綜合財務報表附註

20 CASH AND CASH EQUIVALENTS

20 現金及現金等價物

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Cash at banks	銀行現金	56,347	43,082
Cash on hand	手頭現金	40	48
Cash and cash equivalents	現金及現金等價物	56,387	43,130
Maximum exposure to credit risk	最高信貸風險	56,347	43,082

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

現金及現金等價物的賬面值乃以下列貨幣計值：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
HK\$	港元	32,280	34,328
USD	美元	22,212	8,263
RMB	人民幣	1,895	419
JPY	日圓	-	120
		56,387	43,130

Cash at banks earned interest at floating rates based on daily bank deposits rate. As at 31 December 2020 and 2021, the carrying amounts of cash and cash equivalents approximated their fair values.

銀行現金根據每日銀行存款利率按浮動利率賺取利息。於二零二零年及二零二一年十二月三十一日，現金及現金等價物的賬面值與其公平值相若。

As 31 December 2021, approximately HK\$10,631,000 (2020: approximately to HK\$3,236,000) of the Group's cash and cash equivalents were placed with banks in the PRC denominated in RMB or USD, which is subject to foreign exchange control regulations of the PRC.

於二零二一年十二月三十一日，本集團現金及現金等價物約10,631,000港元(二零二零年：約3,236,000港元)以人民幣或美元存放在中國的銀行，受限於中國的外匯管制規例。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 SHARE CAPITAL AND SHARE PREMIUM

21 股本及股份溢價

		Number of ordinary shares 普通股數目	Nominal value of ordinary share 普通股面值 HK\$'000 千港元
Authorised:	法定：		
At 31 December 2020 and 31 December 2021	於二零二零年 十二月三十一日及 二零二一年十二月三十一日	10,000,000,000	100,000

		Number of ordinary shares 普通股數目	Nominal value of ordinary share 普通股面值 HK\$ 港元	Share premium 股份溢價 HK\$'000 千港元
Issued and paid:	已發行及繳足：			
At 1 January 2020	於二零二零年一月一日	400,000,000	4,000,000	42,511
Dividends paid	已付股息	(a) -	-	(8,000)
At 31 December 2020 and 1 January 2021	於二零二零年十二月三十一日 及二零二一年一月一日	400,000,000	4,000,000	34,511
Dividends paid	已付股息	(b) -	-	(8,000)
At 31 December 2021	於二零二一年十二月三十一日	400,000,000	4,000,000	26,511

Notes:

- (a) On 29 May 2020, the proposed final dividend of HK2.0 cents per share, amount to HK\$8,000,000 for the year ended 31 December 2020 was approved. Such dividend was recorded for as a reduction of share premium of the Group pursuant to the Article of Association and the Company Law, Cap. 22 (Law of 1961, as consolidated or revised from time to time) of the Cayman Islands. The final dividend was paid on 30 June 2020.
- (b) On 8 November 2021, the proposed interim dividend of HK2.0 cents per share, amount to HK\$8,000,000 for the year ended 31 December 2021 was approved. Such dividend was recorded for as a reduction of share premium of the Group pursuant to the Article of Association and the Company Law, Cap. 22 (Law of 1961, as consolidated or revised from time to time) of the Cayman Islands. The interim dividend was paid on 13 December 2021.

附註：

- (a) 於二零二零年五月二十九日，截至二零二零年十二月三十一日止年度的建議末期股息每股2.0港仙（總額為8,000,000港元）獲批准。根據組織章程細則及開曼群島公司法第22章（一九六一年法律，經不時綜合及修訂），該等股息入賬作為本集團股份溢價的削減。末期股息已於二零二零年六月三十日派付。
- (b) 於二零二一年十一月八日，截至二零二一年十二月三十一日止年度的建議中期股息每股2.0港仙（總額為8,000,000港元）獲批准。根據組織章程細則及開曼群島公司法第22章（一九六一年法律，經不時綜合及修訂），該等股息入賬作為本集團股份溢價的削減。中期股息已於二零二一年十二月十三日派付。

Notes to the Consolidated Financial Statements

綜合財務報表附註

22 RESERVES

(a) Capital reserve

Capital reserves of the Group represented the difference between the net asset value of the subsidiaries acquired pursuant to the reorganisation on 21 December 2018, over the nominal value of the share capital of the Company issued in exchange thereof.

(b) Statutory reserve

The PRC laws and regulations require companies registered in the PRC to provide for certain statutory reserves, which are to be appropriated from the profit after income tax (after offsetting accumulated losses from prior years) as reported in their respective statutory financial statements, before profit distributions to equity holders. All statutory reserves are created for specific purposes. A PRC company is required to appropriate an amount of not less than 10% of statutory profit after income tax to statutory surplus reserves, prior to distribution of its post-tax profits of the current year. A company may discontinue the contribution when the aggregate sum of the statutory surplus reserve is more than 50% of its registered capital. The statutory surplus reserves shall only be used to make up losses of the company, to expand the company's operations, or to increase the capital of the company. In addition, a company may make further contribution to the discretionary surplus reserve using its post-tax profits in accordance with resolutions of the board of directors.

(c) Exchange reserve

Exchange reserve of the Group comprises all currency translation differences arising from translation difference of the financial statements of the Group's subsidiary in the PRC.

22 儲備

(a) 資本儲備

本集團的資本儲備指根據二零一八年十二月二十一日重組所收購附屬公司的資產淨值與有關交換中所發行本公司股本的面值的差異。

(b) 法定儲備

中國法律法規要求在中國註冊的公司從各自法定財務報表所呈報的除所得稅後溢利(抵銷往年度的累計虧損後)中,於分派溢利予權益持有人前,劃撥款項以提撥若干法定儲備金。所有法定儲備金均為特別用途而設立。中國公司於分派當年度的除稅後溢利前,須向法定盈餘儲備劃撥不少於除所得稅後法定溢利10%的金額。當公司法定盈餘儲備的總和超過其註冊資本的50%時,公司可停止劃撥。法定盈餘儲備只可用作彌補公司的虧損、擴大公司的營運或增加公司的資本。此外,按照董事會的決議案,公司可使用其除稅後溢利酌情向盈餘儲備作出進一步供款。

(c) 外匯儲備

本集團的外匯儲備包括因本集團於中國的附屬公司的財務報表換算差額所產生的全部貨幣換算差額。

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綜合財務報表附註

23 LEASE LIABILITIES

(a) Amounts recognised in the consolidated balance sheets

The consolidated balance sheets show the following amounts relating to leases:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Right of use assets*	使用權資產*		
Properties	物業	2,930	3,565

* The balances were included in the Note 15 "Properties, plant and equipment".

23 租賃負債

(a) 於綜合資產負債表中確認的金額

綜合資產負債表列示如下與租賃有關的金額：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Lease liabilities	租賃負債		
Non-current portion	非即期部分	-	79
Current portion	即期部分	79	101
		79	180

Additions to the right-of-use assets amounted to approximately HK\$1,305,000 and HK\$62,000 during the years ended 31 December 2020 and 2021, respectively.

截至二零二零年及二零二一年十二月三十一日止年度，使用權資產添置分別約1,305,000港元及62,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

23 LEASE LIABILITIES (Continued)

(b) Amounts recognised in the consolidated income statements

The consolidated income statements show the following amounts relating to leases:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Depreciation charge of right of use assets	使用權資產折舊開支		
Properties	物業	780	649
Finance costs on leases (Note 11)	租賃的融資成本 (附註 11)	7	113

The total cash outflow for leases during the year ended 2021 is HK\$108,000 (2020: HK\$3,870,000), including the payment of principal elements and interest elements of lease liabilities amounting to HK\$101,000 and HK\$7,000 (2020: HK\$3,757,000 and HK\$113,000) respectively.

The Group leases production factory in the PRC and office and carpark in Hong Kong. These lease liabilities were measured at net present value of the lease payments for the lease terms that are not yet paid. On 25 June 2020, the Company and the landlord of the production factory in the PRC has entered into a new contract, superseding the original rental contract. The rental agreement has the same scope of lease with revised monthly rental, totaling HK\$3,644,000 for 72 months, which was fully paid during the year ended 31 December 2020.

23 租賃負債(續)

(b) 於綜合收益表中確認的金額

綜合收益表列示如下與租賃有關的金額：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Depreciation charge of right of use assets	使用權資產折舊開支		
Properties	物業	780	649
Finance costs on leases (Note 11)	租賃的融資成本 (附註 11)	7	113

截至二零二一年止年度的租賃現金流出總額為108,000港元(二零二零年：3,870,000港元)，包括支付租賃負債的本金部分及利息部分分別為101,000港元及7,000港元(二零二零年：3,757,000港元及113,000港元)。

本集團於中國租賃生產廠房及於香港租賃辦事處及停車場，該等租賃負債按租期內尚未支付租賃付款的淨現值計量。於二零二零年六月二十五日，本公司及中國生產廠房的業主訂立新合約，取代原有租賃合約。租賃協議的租賃範圍相同，月租金有所修訂，合共3,644,000港元，為期72個月，已於截至二零二零年十二月三十一日止年度悉數支付。

Notes to the Consolidated Financial Statements

綜合財務報表附註

24 TRADE PAYABLES

Trade payables at the end of each reporting period comprise amounts outstanding to contract creditors and suppliers. The average credit period taken for trade purchase is generally from 0–90 days.

24 貿易應付款項

各報告期末的貿易應付款項包括尚未支付予合約債權人及供應商的金額。貿易採購的平均信貸期一般為0至90日。

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Trade payables	貿易應付款項	8,343	4,465

As at 31 December 2020 and 2021, the ageing analysis of the trade payables, based on invoice date, are as follows:

於二零二零年及二零二一年十二月三十一日，貿易應付款項基於發票日期的賬齡分析如下：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Up to 30 days	不多於30日	7,057	3,012
31-60 days	31至60日	1,271	1,144
61-90 days	61至90日	–	210
Over 3 months	超過3個月	15	99
		8,343	4,465

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
RMB	人民幣	622	2,057
HK\$	港元	7,719	2,406
USD	美元	2	2
		8,343	4,465

As at 31 December 2020 and 2021, the carrying amounts of trade payables approximate their fair values.

於二零二零年及二零二一年十二月三十一日，貿易應付款項的賬面值與其公平值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

25 ACCRUALS AND OTHER PAYABLES

25 應計費用及其他應付款項

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Accrued auditors' remuneration	應計核數師薪酬	822	1,000
Accrued employee benefit expenses	應計僱員福利開支	759	585
Other accruals	其他應計費用	199	157
Other payables	其他應付款項	-	4
Payable for purchase of property, plant and equipment	購買物業、廠房及設備的 應付款項	117	114
Contract liabilities (Note 5c)	合約負債(附註5c)	4	8
		1,901	1,868

The carrying amounts of the Group's contract liabilities, accruals and other payables were denominated in the following currencies:

本集團的合約負債、應計費用及其他應付款項的賬面值以下列貨幣計值：

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
RMB	人民幣	1,030	843
HK\$	港元	871	1,025
		1,901	1,868

26 DIVIDENDS

26 股息

(a) Dividends declared and paid during the year

(a) 年內已宣佈及派付的股息

		2021 二零二零年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Interim dividends declared and paid in respect of 2021 of HK2.0 cents per share	就二零二一年已宣佈及派付 的中期股息每股2.0港仙	8,000	-
Final dividends declared and paid in respect of 2020 of HK2.0 cents per share	就二零二零年已宣佈及派付 的末期股息每股2.0港仙	-	8,000

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 DIVIDENDS (Continued)

(b) Dividends for the year

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Interim dividends of HK2.0 cents per share	中期股息每股2.0港仙	8,000	-
Proposed final dividends of HK2.0 cents per share (Note)	建議末期股息每股2.0港仙 (附註)	8,000	-
		16,000	-

Note:

The proposed final dividend have been proposed by the directors after the report date. The proposed final dividend, subject to the shareholders' approval at the forthcoming annual general meeting, is not reflected as dividend payables as at 31 December 2021.

附註：

建議末期股息於報告日期後由董事建議。建議末期股息須待股東於應屆股東週年大會批准後方可作實，故未有於截至二零二一年十二月三十一日止年度反映為應付股息。

27 DEFERRED INCOME TAX

The movement in deferred income tax assets during the years ended 31 December 2020 and 2021, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follow:

		Lease liabilities 租賃負債 HK\$'000 千港元	Provision for inventories 存貨撥備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2020	於二零二零年一月一日	17	47	64
Charged to consolidated statement of comprehensive income (Note 12)	於綜合全面收益表扣除 (附註12)	14	-	14
As at 31 December 2020	於二零二零年 十二月三十一日	31	47	78
At 1 January 2021	於二零二一年一月一日	31	47	78
Charged to consolidated statement of comprehensive income (Note 12)	於綜合全面收益表扣除 (附註12)	22	7	29
As at 31 December 2021	於二零二一年 十二月三十一日	53	54	107

27 遞延所得稅

於截至二零二零年及二零二一年十二月三十一日止年度的遞延所得稅資產變動(並無計及抵銷同一稅務司法權區內結餘)載列如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

27 DEFERRED INCOME TAX (Continued)

As at 31 December 2021, deferred income tax liabilities of approximately HK\$2,881,000 (2020: HK\$2,413,000) have not been recognised for the withholding tax that would be payable on the unremitted earnings of subsidiaries in the PRC of approximately HK\$28,808,000 (2020: HK\$24,129,000) as our directors considered that the timing of the reversal of the related temporary differences can be controlled and the related temporary difference will not be reversed and will not be taxable in the foreseeable future.

28 RELATED PARTIES TRANSACTIONS

(a) For the purposes of these consolidated financial statements, parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control. The director is of the view that the following individual were related parties that had transactions or balances with the Group during the years ended 31 December 2020 and 2021:

Name	Relationship with the Group
Mr. YP Chan	Shareholder and Executive Director

(b) Key management compensation

Key management include executive directors and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	1,862	1,715
Retirement benefit costs — defined contribution plans	退休福利成本 — 定額供款計劃	68	62
		1,930	1,777

27 遞延所得稅(續)

於二零二一年十二月三十一日，並無就中國附屬公司未匯出盈利約2,881,000港元(二零二零年：2,413,000港元)的應繳預扣稅確認遞延所得稅負債約28,808,000港元(二零二零年：24,129,000港元)，原因是董事認為撥回相關暫時差異的時機可控，且相關暫時差異將不會於可以預見的未來撥回及毋須課稅。

28 關聯方交易

(a) 就該等綜合財務報表而言，倘一方在作出財政及營運決策方面有能力和直接或間接對本集團施加重大影響時，則被視為與本集團有關聯。關聯方可為個別人士(即主要管理人員成員、重大股東及／或彼等家庭近親成員)或其他實體，並包括受本集團關聯方(為個別人士)重大影響的實體。倘各方受共同控制，亦會被視為有關聯。董事認為以下個別人士為於截至二零二零年及二零二一年十二月三十一日止年度與本集團有交易或結餘的關聯方：

姓名	與本集團的關係
陳煜彬先生	股東及執行董事

(b) 主要管理層薪酬

主要管理層包括本集團的執行董事以及高級管理層。就僱員服務已付或應付主要管理層的薪酬呈示如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

29 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit before income tax to cash generated from operations

29 綜合現金流量表附註

(a) 除所得稅前溢利與經營所得現金對賬

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Cash flows from operating activities	經營活動現金流量		
Profit before income tax	除所得稅前溢利	41,866	16,252
Adjustments for:	就以下各項調整：		
Amortisation	攤銷	–	76
Depreciation	折舊	1,835	1,734
Provision/(reversal of provision) for slow moving inventories, net	滯銷存貨撥備/(撥備撥回)淨額	22	(3)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	–	(1)
Finance income	融資收入	(24)	(69)
Finance cost	融資成本	7	113
Changes in working capital	營運資金變動	43,706	18,102
Trade receivables	貿易應收款項	(16,526)	(4,380)
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	1,366	(934)
Inventories	存貨	(1,061)	825
Trade payables	貿易應付款項	3,846	2,840
Accruals and other payables	應計費用及其他應付款項	7	(490)
Net cash generated from operations	經營所得現金淨額	31,338	15,963

Notes to the Consolidated Financial Statements

綜合財務報表附註

29 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) 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 flow will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

29 綜合現金流量表附註(續)

(b) 融資活動所產生負債之對賬

下表詳列本集團融資活動所產生負債的變動，包括現金及非現金變動。融資活動所產生負債為於本集團綜合現金流量表分類為融資活動所得現金流量之現金流量或未來現金流量。

		Lease Liabilities 租賃負債 HK\$'000 千港元
Net debt as at 1 January 2020	於二零二零年一月一日的淨債務	(2,715)
Cash flows	現金流量	3,870
Other non-cash movements	其他非現金變動	
— Additions	— 添置	(1,206)
— Accrued interest	— 應計利息	(113)
— Foreign exchange adjustments	— 外匯調整	(16)
Net debt as at 31 December 2020	於二零二零年十二月三十一日的淨債務	(180)
Net debt as at 1 January 2021	於二零二一年一月一日的淨債務	(180)
Cash flows	現金流量	108
Other non-cash movements	其他非現金變動	
— Accrued interest	— 應計利息	(7)
Net debt as at 31 December 2021	於二零二一年十二月三十一日的淨債務	(79)

Notes to the Consolidated Financial Statements

綜合財務報表附註

30 CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
Property, plant and equipment and intangible assets	物業、廠房及設備及無形資產		
Not later than one year	不超過一年	8,251	5,125
Later than one year but not later than five years	一年以上但不超過五年	822	405
		9,073	5,530

31 CONTINGENT LIABILITIES

As at 31 December 2021, the Group did not have any significant contingent liabilities (2020: Nil).

30 資本承擔

於報告期末已訂約但未確認為負債的重大資本開支如下：

31 或然負債

於二零二一年十二月三十一日，本集團並無任何重大或然負債(二零二零年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

32 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

32 本公司資產負債表及儲備變動

Balance sheet of the Company

本公司資產負債表

		Note	2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元
		附註		
Assets	資產			
Non-current assets	非流動資產			
Investment in subsidiaries	於附屬公司的投資		41,888	41,888
Loan to a subsidiary	貸款予一間附屬公司		10,850	1,879
Current assets	流動資產			
Prepayments	預付款項		104	–
Cash and cash equivalents	現金及現金等價物		15,995	24,954
Total assets	資產總值		68,837	68,721
Equity and liabilities	權益及負債			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本		4,000	4,000
Reserves	儲備	(a)	44,573	54,994
Total equity	權益總額		48,573	58,994
Liabilities	負債			
Current liabilities	流動負債			
Accruals	應計費用		753	1,000
Amounts due to subsidiaries	應付附屬公司款項		19,511	8,727
Total liabilities	負債總額		20,264	9,727
Total equity and liabilities	權益及負債總額		68,837	68,721

The Balance sheet of the Company was approved by the Board of Directors on 22 March 2022 and was signed on its behalf.

本公司的資產負債表已由董事會於二零二二年三月二十二日批核，並代表董事會簽署。

Chan Yuk Pan
陳焯彬
Director
董事

Chan Lung Pan
陳龍彬
Director
董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

32 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

32 公司資產負債表及儲備變動(續)

(a) Reserve movement of the Company

(a) 本公司儲備變動

		Share capital 股本 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Balance at 1 January 2020	於二零二零年一月一日的結餘	4,000	84,399	(19,036)	69,363
Loss for the year	年內虧損	-	-	(2,369)	(2,369)
Total comprehensive income	全面收益總額	4,000	84,399	(21,405)	66,994
Transactions with equity holders:	與權益持有人的交易：				
Dividends paid	已付股息	-	(8,000)	-	(8,000)
		-	(8,000)	-	(8,000)
Balance at 31 December 2020	於二零二零年十二月三十一日的結餘	4,000	76,399	(21,405)	58,994
Balance at 1 January 2021	於二零二一年一月一日的結餘	4,000	76,399	(21,405)	58,994
Loss for the year	年內虧損	-	-	(2,421)	(2,421)
Total comprehensive income	全面收益總額	4,000	76,399	(23,826)	56,573
Transactions with equity holders:	與權益持有人的交易：				
Dividends paid	已付股息	-	(8,000)	-	(8,000)
		-	(8,000)	-	(8,000)
Balance at 31 December 2021	於二零二一年十二月三十一日的結餘	4,000	68,399	(23,826)	48,573

Financial Summary

財務概要

A summary of the results and of the assets, equity and liabilities of the Group for the published financial years is as follows:

本集團過往刊發財政年度的業績及資產、權益及負債概要列載如下：

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度			
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	132,250	69,499	67,509	46,267
Profit before taxation	除稅前溢利	41,866	16,252	10,557	12,467
Income tax expense	所得稅開支	(6,780)	(2,608)	(3,594)	(2,732)
Profit for the year	年內溢利	35,086	13,644	6,963	9,735
Attributable to: Shareholders of the Company	應佔： 本公司股東	35,086	13,644	6,963	9,735

Financial Summary

財務概要

ASSETS AND LIABILITIES

資產與負債

		As at 31 December 於十二月三十一日			
		2021 二零二一年 HK\$'000 千港元	2020 二零二零年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Assets	資產				
Non-current assets	非流動資產	19,045	12,846	9,799	9,357
Current assets	流動資產	125,155	94,741	91,247	40,166
Total assets	資產總值	144,200	107,587	101,046	49,523
Equity and liabilities	權益及負債				
Total equity	權益總額	(129,531)	(101,074)	(92,398)	(39,615)
Non-current liabilities	非流動負債	-	(79)	(2,338)	(2,575)
Current liabilities	流動負債	(14,669)	(6,434)	(6,310)	(7,333)
Total liabilities	負債總額	(14,669)	(6,513)	(8,648)	(9,908)
Total equity and liabilities	權益及負債總額	(144,200)	(107,587)	(101,046)	(49,523)

Note: The summary of the consolidated results of the Group for the two years ended 31 December 2017 and 2018 and of the assets, equity and liabilities as at 31 December 2017 and 2018 are extracted from the Prospectus.

附註：本集團截至二零一七年及二零一八年十二月三十一日止兩個年度的總合業績概要，以及於二零一七年及二零一八年十二月三十一日的資產、權益及負債均摘錄自招股章程。



BEST LINKING GROUP HOLDINGS LIMITED
永聯豐集團控股有限公司