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TRIGIANT
— 俊知集團 —

TRIGIANT GROUP LIMITED

俊知集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1300)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

HIGHLIGHTS

In 2022, the Group's performance had been inevitably affected by the recurring COVID-19 epidemic in mainland China. In addition, the impairment loss on trade receivables under expected credit loss model for the Year increased due to the peak of the pandemic in China in December 2022 which affected the collection process of trade receivables. Due to these factors, the Group recorded from profit to loss for the Year.

Despite all odds in the COVID year, for the year 2022 the Group maintained a steady operation. In particular, the operating profit before impairment losses/reversal of impairment losses under expect credit loss model, net amount of which amounted to approximately RMB241,300,000 (2021: RMB271,100,000).

Annual results for the year ended 31 December 2022 compared with the annual results for the year ended 31 December 2021:

- Revenue decreased by approximately RMB232.1 million, or approximately 8.1%, to approximately RMB2,630.3 million (2021: RMB2,862.5 million)
- Gross profit margin decreased by approximately 1.4 percentage points to approximately 13.4% (2021: 14.8%)
- Loss for the year of approximately RMB56.4 million, as compared to profit for the year in 2021 of approximately RMB207.5 million
- Net loss margin was approximately 2.1%, as compared to net profit margin in 2021 of approximately 7.2%
- Loss per share of RMB3.15 cents as compared to earnings per share in 2021 of RMB11.58 cents
- The Board has resolved not to recommend final dividend for the year (final dividend for 2021: Nil)

The board (“Board”) of directors (“Directors”) of Trigiant Group Limited (“Company”) hereby announces the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2022 (“Year”) together with the comparative figures for the corresponding period in 2021, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	<i>Notes</i>	2022 RMB’000	2021 <i>RMB’000</i>
Revenue	3	2,630,326	2,862,456
Cost of goods sold		(2,278,036)	(2,438,537)
Gross profit		352,290	423,919
Other income	4	19,059	19,534
(Impairment losses)/reversal of impairment losses under expected credit loss model, net	5	(203,902)	24,212
Other gain and loss	5	2,931	(572)
Selling and distribution costs		(50,146)	(71,993)
Administrative expenses		(38,665)	(41,690)
Research and development costs		(44,195)	(58,147)
Finance costs	6	(61,706)	(65,366)
(Loss) profit before taxation	7	(24,334)	229,897
Taxation charge	8	(32,028)	(22,430)
(Loss) profit for the year		(56,362)	207,467
Other comprehensive expense:			
Item that will not be reclassified to profit or loss:			
Fair value loss on investments in equity instruments at fair value through other comprehensive income		(166)	(475)
Total comprehensive (expense) income for the year		(56,528)	206,992
(Loss) earnings per share	10		
— Basic		RMB(3.15) cents	RMB11.58 cents
— Diluted		N/A	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2022

	<i>Notes</i>	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		173,743	189,312
Right-of-use assets		64,175	66,848
Equity instruments at fair value through other comprehensive income		309	475
Pledged bank deposits		154,647	105,935
Deposit paid for acquisition of property, plant and equipment		21,840	–
Deferred tax assets		113,678	99,168
		528,392	461,738
Current assets			
Inventories		172,607	242,352
Trade and other receivables	<i>11</i>	4,115,138	4,341,830
Pledged bank deposits		36,929	104,449
Bank balances and cash		536,724	459,272
		4,861,398	5,147,903
Current liabilities			
Trade and other payables	<i>12</i>	85,611	676,471
Borrowings		1,685,100	1,265,000
Lease liabilities		507	609
Taxation payable		49,631	41,830
		1,820,849	1,983,910
Net current assets		3,040,549	3,163,993
Total assets less current liabilities		3,568,941	3,625,731
Non-current liabilities			
Lease liabilities		567	994
Government grants		1,191	1,588
Deferred tax liabilities		22,756	22,194
		24,514	24,776
Net assets		3,544,427	3,600,955
Capital and reserves			
Share capital		14,638	14,638
Reserves		3,529,789	3,586,317
Total equity		3,544,427	3,600,955

NOTES:

1. GENERAL INFORMATION

Trigiant Group Limited (“Company”) is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). The addresses of the registered office and principal place of business of the Company and information of shareholders are disclosed in the corporate information section of the annual report.

The principal activity of the Company is to act as an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are mainly engaged in the manufacture and sales of feeder cable series, flame-retardant flexible cable series, optical fibre cable series and related products, new-type electronic components and others for mobile communications and telecommunication equipment.

The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company.

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountant (“HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2022 for the preparation of the consolidated financial statement:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

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

3. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sales of feeder cable series, flame-retardant flexible cable series, optical fibre cable series and related products, new-type electronic components and others for mobile communication and telecommunications equipment. All of the Group's revenue is recognised when the control of goods is transferred, being when the goods are delivered to the customer's specific location. A receivable is recognised by the Group when the goods are delivered to the customer's premises as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The normal credit term is 180 to 360 days upon delivery. The customers have neither rights of return nor rights to defer or avoid payment for the goods once they are accepted by the customers upon receipt of goods. The contracts signed with the customers are short-term and fixed price contracts.

For contracts where the credit period provide to customers and transfer of the associated goods is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component, if any.

All sales are provided for periods for one year or less. As permitted under HKFRS 15, the transaction price allocated to the unsatisfied contracts is not disclosed.

The Group's chief operating decision maker ("CODM") has been identified as the executive directors of the Company ("Executive Directors") who review the business with the following reportable segments by products:

- Feeder cable series
- Optical fibre cable series and related products
- Flame-retardant flexible cable series
- New-type electronic components
- Others (including couplers and combiners)

The above segments have been identified on the basis of internal management reports prepared and regularly reviewed by the Executive Directors when making decisions about allocating resources and assessing performance of the Group.

The segment results represent the gross profit earned (loss charged) by each segment (segment revenue less segment cost of goods sold). Other income, (reversal of impairment loss) impairment losses under expected credit loss ("ECL") model, net, other gain and loss, selling and distribution costs, administrative expenses, research and development costs, finance costs and taxation are not allocated to each reportable segment. This is the measure reported to the Executive Directors for the purpose of resource allocation and assessment of segment performance.

The information of segment results is as follows:

For the year ended 31 December 2022

	Feeder cable series <i>RMB'000</i>	Flame- retardant flexible cable series <i>RMB'000</i>	Optical fibre cable series and related products <i>RMB'000</i>	New-type electronic components <i>RMB'000</i>	Others <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Turnover							
— External sales	1,242,813	1,029,254	208,813	147,513	1,933	—	2,630,326
— Inter-segment sales*	—	—	65,169	14,985	—	(80,154)	—
	1,242,813	1,029,254	273,982	162,498	1,933	(80,154)	2,630,326
Cost of goods sold	(1,061,273)	(910,665)	(246,299)	(138,198)	(1,755)	80,154	(2,278,036)
Segment result	<u>181,540</u>	<u>118,589</u>	<u>27,683</u>	<u>24,300</u>	<u>178</u>	<u>—</u>	<u>352,290</u>

For the year ended 31 December 2021

	Feeder cable series <i>RMB'000</i>	Flame- retardant flexible cable series <i>RMB'000</i>	Optical fibre cable series and related products <i>RMB'000</i>	New-type electronic components <i>RMB'000</i>	Others <i>RMB'000</i>	Inter- segment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Turnover							
— External sales	968,171	1,210,159	539,245	142,342	2,539	—	2,862,456
— Inter-segment sales*	—	—	173,154	21,906	—	(195,060)	—
	968,171	1,210,159	712,399	164,248	2,539	(195,060)	2,862,456
Cost of goods sold	(811,134)	(1,043,588)	(627,341)	(149,582)	(1,952)	195,060	(2,438,537)
Segment result	<u>157,037</u>	<u>166,571</u>	<u>85,058</u>	<u>14,666</u>	<u>587</u>	<u>—</u>	<u>423,919</u>

* Inter-segment sales are entered into in accordance with the relevant agreements, if any, governing those transactions, in which the pricing was determined with reference to the cost incurred.

The reportable segment results are reconciled to profit (loss) after taxation of the Group as follows:

	2022	2021
	RMB'000	RMB'000
Reportable segment results	352,290	423,919
Unallocated income and expenses		
— Other income	19,059	19,534
— (Impairment losses)/reversal of impairment losses under ECL model, net	(203,902)	24,212
— Other gain and loss	2,931	(572)
— Selling and distribution costs	(50,146)	(71,993)
— Administrative expenses	(38,665)	(41,690)
— Research and development costs	(44,195)	(58,147)
— Finance costs	(61,706)	(65,366)
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(Loss) profit before taxation	(24,334)	229,897
Taxation charge	(32,028)	(22,430)
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(Loss) profit for the year	(56,362)	207,467
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No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Geographical information

Substantially all of the Group's revenue is derived from the People's Republic of China ("PRC") and substantially all of its non-current assets are also located in the PRC (the place of domicile).

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2022	2021
	RMB'000	RMB'000
China United Network Communications Limited* (中國聯合網絡通信股份有限公司) ("China Unicom")	1,037,215	905,104
China Mobile Communications Corporation* (中國移動通信集團公司) ("China Mobile")	945,571	1,306,360
China Telecommunications Corporation Limited* (中國電信集團有限公司) ("China Telecom")	305,282	458,356
	<hr/> <hr/>	<hr/> <hr/>

The three major customers purchased goods from all segments during both years. The group of entities under common control of a reporting entity are considered to be a single customer.

* is for identification purpose only

4. OTHER INCOME

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Government grants (<i>note</i>)	2,334	5,543
Interest income	5,831	9,932
Investment income from other financial assets	6,341	1,138
Others	4,553	2,921
	<u>19,059</u>	<u>19,534</u>

Note: Included in government grants was RMB1,937,000 (2021: RMB5,146,000) incentive provided by the PRC local authorities to the Group for encouragement of business development in the Yixing region. There were no specific conditions attached to the grants, and the Group recognised the grants upon receipts. In respect of the remaining amount of RMB397,000 (2021: RMB397,000), they are government subsidies received for the acquisition of property, plant and equipment.

5. (IMPAIRMENT LOSSES)/REVERSAL OF IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET AND OTHER GAIN AND LOSS

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
(Impairment losses)/reversal of impairment losses under ECL model, net include the following:		
(Impairment losses)/reversal of impairment losses on trade receivables, net	<u>(203,902)</u>	<u>24,212</u>
Other gain and loss include the following:		
Exchange gain (loss)	<u>2,931</u>	<u>(572)</u>

6. FINANCE COSTS

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Interest on bank borrowings	61,651	65,340
Interest on lease liabilities	55	26
	<u>61,706</u>	<u>65,366</u>

7. (LOSS) PROFIT BEFORE TAXATION

	2022	2021
	RMB'000	RMB'000
(Loss) Profit before taxation has been arrived at after charging:		
Directors' remuneration	2,163	2,009
Other staff costs:		
Salaries and other benefits	81,869	90,731
Retirement benefit schemes contributions	7,352	6,566
	<hr/>	<hr/>
Total staff costs	91,384	99,306
Less: capitalised in cost of inventories manufactured	(39,813)	(46,990)
	<hr/>	<hr/>
	51,571	52,316
	<hr/>	<hr/>
Amortisation of intangible assets (included in selling and distribution costs)	–	14,543
Auditor's remuneration	2,306	2,139
Cost of inventories recognised as expenses	2,270,440	2,429,354
Impairment losses on inventory (included in selling and distribution costs)	1,231	3,615
Depreciation of right-of-use assets	2,741	2,514
Loss on written off of property, plant and equipment	1,004	8
Short-term lease payment	1,102	1,603
	<hr/>	<hr/>
Depreciation of property, plant and equipment	20,395	21,888
Less: capitalised in cost of inventories manufactured	(14,267)	(14,915)
	<hr/>	<hr/>
	6,128	6,973
	<hr/>	<hr/>

8. TAXATION CHARGE

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
The taxation charge comprises:		
Current tax:		
PRC Enterprise Income Tax	(28,760)	(40,238)
Withholding tax	(17,216)	–
Deferred taxation credit	13,948	17,808
	<u> </u>	<u> </u>
Taxation charge for the year	<u>(32,028)</u>	<u>(22,430)</u>

The withholding tax represents those charged to profit and loss for the re-organisation incurred during the year ended 31 December 2022 which involved the transfer of shares of certain subsidiaries within the Group.

The PRC Enterprise Income Tax is calculated at the applicable rates in accordance with the relevant laws and regulations in the PRC.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. Of the following subsidiaries of the Company in the PRC, 江蘇俊知技術有限公司 (Jiangsu Trigiant Technology Co., Ltd.) ("Trigiant Technology") was endorsed as a High and New Technology Enterprise by relevant authorities in the PRC was entitled to and was charged income tax in the PRC at a reduced income tax rate of 15% till next renewal in October 2024. Furthermore, 江蘇俊知光電通信有限公司 (Jiangsu Trigiant Optic-Electric Communication Co., Ltd.) ("Trigiant Optic-Electric") and 江蘇俊知傳感技術有限公司 (Jiangsu Trigiant Sensing Technology Co., Ltd.) ("Trigiant Sensing") are endorsed as High and New Technology Enterprises in 2022 and are entitled and are charged income tax in the PRC at a reduced income tax rate of 15% till next renewal in October and December of 2025 respectively. The two subsidiaries paid and were charged income tax in the PRC changed from 25% in 2021 to 15% in 2022.

According to the relevant tax law in the PRC, dividend distributed to foreign investors out of the profit generated from 1 January 2008 onwards shall be subject to withholding tax at 10% and withheld by the PRC entity, pursuant to Articles 3 and 37 of the EIT Law and Article 91 of its Detail Implementation Rules.

No provision for Hong Kong Profits Tax is made in the consolidated financial statements as the Group does not derive assessable profits from Hong Kong for both years.

9. DIVIDENDS

The Board has resolved not to recommend final dividend for the year ended 31 December 2022 (2021: Nil).

10. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share is based on the following data:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
(Loss) earnings		
(Loss) profit for the year attributable to the owners of the Company for the purpose of basic and diluted (loss) earnings per share	<u>(56,362)</u>	<u>207,467</u>
	2022 <i>'000</i>	2021 <i>'000</i>
Number of shares		
Number of ordinary shares for the purpose of basic and diluted (loss) earnings per share	<u>1,791,500</u>	<u>1,791,500</u>

No diluted (Loss) earnings per share was presented as there were no potential ordinary shares in issue for both year.

11. TRADE AND OTHER RECEIVABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade receivables, net	4,092,946	4,317,714
Interest receivables	5,229	5,707
Other receivables	3,164	2,261
Tender deposits	4,666	5,026
Prepaid expenses	6,193	8,872
Staff advances	<u>2,940</u>	<u>2,250</u>
	<u>4,115,138</u>	<u>4,341,830</u>

Included in the Group's trade receivables at 31 December 2022 are bills received by the Group of RMB36,222,000 (2021: RMB17,257,000).

The Group normally allows a credit period ranging from 180 to 360 days to its customers.

The following is an aged analysis of the trade receivables presented based on the invoice date, or otherwise, delivery date, at the end of the reporting period, which approximated the respective revenue recognition dates:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Age		
0–90 days	698,510	817,739
91–180 days	640,358	647,366
181–365 days	936,572	1,000,806
Over 365 days	1,817,506	1,851,803
	<u>4,092,946</u>	<u>4,317,714</u>

12. TRADE AND OTHER PAYABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade payables	28,593	620,668
Accrued expenses	14,210	13,593
Deposits from suppliers	12,597	12,659
Other payables	9,981	8,816
Other tax payables	3,656	1,991
Payable for acquisition of property, plant and equipment	523	509
Payroll and welfare payables	16,051	18,235
	<u>85,611</u>	<u>676,471</u>

Included in the Group's trade payables at 31 December 2022 are bills presented by the Group to relevant creditors of RMB1,719,000 (2021: RMB502,898,000). All bills presented by the Group are aged within 365 days and not yet due at the end of the reporting period.

The Group normally receives credit terms ranging from 30 to 90 days from its suppliers. The following is an aged analysis of trade payables presented based on the invoice date and bills payables based on issuance date at the end of the reporting period:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Age		
0–90 days	27,213	251,921
91–180 days	1,343	148,719
181–365 days	37	220,028
	<u>28,593</u>	<u>620,668</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Market review

In 2022, the overall business environment was fraught with difficulties and the market experienced ups and downs due to uncertainties, such as the resurgence of the COVID-19 pandemic in China, the increasingly unstable international political situation and the growing inflationary pressure. The domestic COVID-19 prevention and control situation has improved since December 2022 and the authorities made a prompt response by introducing a number of optimised centralised quarantine and exit-entry control measures, which sounded a decisive clarion call for China to step out of the shadow of the COVID-19 pandemic and marked its official move to a new model of living with the virus as in other countries. Featuring high bandwidth, low latency rate and high-speed transmission, 5G technology has become a new generation of leading information technology, which has a significant impact in promoting the digital transformation of society, empowers innovation in application in industry, transportation, medical care, education, cultural tourism and so forth, and provides a long-term new driver for China's economic development. Currently, China has led the world in seizing the development opportunities from the 5G industry. As at the end of 2022, the number of 5G base stations in China amounted to 2.312 million, accounting for more than 60% of the world's total number of 5G base stations, and more than 110 cities were capable of offering gigabit 5G, according to the 2022 Statistical Bulletin on Communications Industry published by the Ministry of Industry and Information Technology (“MIIT”). Meanwhile, as the third year of 5G commercialisation in China, 2022 is a critical moment for the 5G industry to formally move from base station deployment to large-scale application. 5G technology gradually shows a multiplier effect on economic and social development, and the industry is on a fast track of rapid development. The China Academy of Information and Communications Technology (“CAICT”) predicts that China will invest more than RMB1.2 trillion in 5G network buildout by 2025, which is estimated to drive related investment of more than RMB3.5 trillion, directly creating more than 3 million jobs, boosting emerging consumption of more than RMB8 trillion, and creating a trillion-yuan market in respect of 5G products and services. As China's economic activities gradually returned to normal and the 5G industry continuously led the high-quality development of the digital economy in 2022, major domestic telecommunications operators seized business opportunities and unveiled tender projects regarding the 5G network infrastructure, including the three major telecommunications operators, with sales from their business accounting for approximately 90% of the Group's sales, and China Tower Corporation Limited (“China Tower”). The Group, as one of the leading manufacturers of accessories for mobile communications and telecommunications transmission in China, is expected to benefit from the upward development trend of the overall industry.

As China's digital economy develops more and more vigorously, the metaverse has become an important part of the digital economy. According to the Annual Report on Metaverse Development in China (2022), the output value of upstream and downstream industries of the metaverse in China exceeded RMB40 billion in 2022, and the market size is expected to top RMB200 billion in the next five years. A number of local governments released metaverse-related industrial support policies during the year, including plans of promoting the digital economy and metaverse-specific plans. Stimulated by industry opportunities and favourable policies, domestic telecommunications operators actively made their presence in the metaverse, and concentrated on improving their basic capabilities in computing force network, cloud-network integration and so forth to adapt to the new changes in network demand with the development of the metaverse. The rapid development momentum of the metaverse will continuously drive the coordinated development of the upstream and downstream of the communications sector, which is believed to have a positive effect on promoting the Group's businesses. The Group has kept a close eye on the industry development activities. Through effective communication with customers, it deeply understands and actively cooperates with customers in the development of business in the metaverse and explores market opportunities for the integrated development of the metaverse with all walks of life.

In the context of wider 5G coverage, the market demand for mobile data traffic in 5G indoor scenarios is growing. Small cells are expected to reach a turning point of explosive growth due to their advantage of accurate coverage. Small cells will enter a large-scale construction period at the global level in 2025 and 5G small cell deployments will reach 13 million by 2027, according to the estimates of ABI Research, a market research firm. At present, China has gradually increased the proportion of small cells and steadily pushed forward with the building of 5G networks. The Group is actively developing small cell transmission solutions and timely following up the relevant bidding projects to keep up with the future development of small cells.

5G mmWave enjoys the advantages of large bandwidth, low latency rate and high-speed transmission, providing strong support for 5G indoor application scenarios. Taking a positive attitude towards the development of mmWave, China adapted to a new situation of the domestic microwave communications industry, and launched a number of supporting policies and indicators. MIIT has recently released a circular on the adjustment of frequency use plan and radio management for microwave communications systems, which elaborated on its move to add the frequency use plan of mmWave large-bandwidth microwave communications systems, optimise the frequency and channel bandwidth of existing low- and medium-frequency microwave communications systems, and adjust the microwave channel configuration to meet international standards, etc., aiming to further meet the need of high-capacity information transmission (microwave backhaul) scenarios, such as 5G base stations, and reserve sufficient spectrum resources for 5G, industrial Internet and future 6G development, so as to better meet the high-quality development need of the radio industry like microwave communications. In order to grasp the huge potential of mmWave, the Group has

intensified efforts on mmWave products. For instance, the Group has advertised mmWave products on Microwave Journal, which effectively triggered market responses and enabled it to successfully communicate with customers. In the meantime, the Group optimised its Trigiant mmWave website in both Chinese and English (mmw.trigiant.com.cn), which contains about 130 mmWave products, with product pictures, technical specifications and related appearance drawings. It also provides customers with functions such as inquiry to enhance the convenience for them to purchase mmWave product models. In addition, the Group opened a store of Trigiant mmWave products on Aicaiyou, a platform under Baidu, on which it launched different models of products, aiming to actively expand products to different sales channels.

The Group actively participated in multiple bidding projects during the year, it won the bid for China Telecom's centralised procurement project of cable products (power cables), the centralised procurement project of feeder and leaky cables of China Unicom's Shandong branch from 2022 to 2023 and China Tower's second centralised procurement project of feeder products in 2022, laying a solid foundation for its business development.

Results analysis

In 2022, the Group's performance had been inevitably affected by the recurring COVID-19 epidemic in mainland China. In addition, the impairment loss on trade receivables under expected credit loss model for the Year increased due to the peak of the pandemic in China in December 2022 which affected the collection process of trade receivables. Due to these factors, the Group recorded from profit to loss for the Year.

Despite all odds in the COVID year, for the year 2022 the Group maintained a steady operation. In particular, the operating profit before impairment losses/reversal of impairment losses under expected credit loss model, net^(Note) amount of which amounted to approximately RMB241,300,000 (2021: RMB271,100,000).

Note: Our operating profit before impairment losses/reversal of impairment losses under expected credit loss model, net was calculated based on the profit for the year before (1) taxation, (2) finance cost and (3) impairment losses/reversal of impairment losses under expected credit loss model, net.

Operating profit before impairment losses/reversal of impairment losses under expected credit loss model, net is not a standard measure under HKFRS. Operating profit before impairment losses/reversal of impairment losses under expected credit loss model, net is one of financial indicators that a company's ability to service and incur debt. The Board believes that such data is a useful supplement to cash flow data as a measure of our performance and our ability to cover finance cost and taxation. The figure may not be comparable to similarly titled measures presented by other companies.

Overall, the turnover decreased by approximately RMB232.1 million to RMB2,630.3 million. The turnover of optical fibre cable series products and flame-retardant flexible cable series and related products decreased by approximately RMB330.4 million and RMB180.9 million respectively, and such turnover decrease was partially offset by an increase in turnover of feeder cable series products of approximately RMB274.6 million. The Group's overall gross profit decreased by approximately 16.9% from approximately RMB423.9 million in 2021 to RMB352.3 million in 2022. The overall gross profit margin was approximately 13.4% in 2022, representing a decrease of approximately 1.4 percentage points as compared with 2021.

During the Year, the average price of copper, being the main raw materials for the flame-retardant flexible cable series and feeder cable series, decreased by approximately 1.4%. However, as the Group adopted the cost plus pricing model for the pricing of its main products, it can still operate steadily even under the fluctuation of commodity prices.

Due to the COVID-19 pandemic in China in December 2022 has affected the collection process of trade receivables, the Group recorded impairment losses on trade receivables under expected credit loss model of approximately RMB203.9 million in 2022 as compared to a record of reversal of impairment losses of approximately RMB24.2 million in 2021. As such, the Group recorded a loss for the year of approximately RMB56.4 million as compared to a profit for the year of approximately RMB207.5 million for 2021. The Group recorded loss per share of RMB3.15 cents as compared to earnings per share in 2021 of RMB11.58 cents.

Breakdown of turnover by products

Year ended 31 December	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>	Change <i>RMB'000</i>	Change <i>Percentage</i>
Feeder cable series	1,242,813	968,171	274,642	+28.4%
Flame-retardant flexible cable series	1,029,254	1,210,159	(180,905)	-14.9%
Optical fibre cable series and related products	208,813	539,245	(330,432)	-61.3%
New-type electronic components	147,513	142,342	5,171	+3.6%
Others	1,933	2,539	(606)	-23.9%
Total	<u>2,630,326</u>	<u>2,862,456</u>	<u>(232,130)</u>	-8.1%

Feeder cable series — approximately 47.2% of the total turnover

The turnover of feeder cable series increased by approximately 28.4% year on year to approximately RMB1,242.8 million for the Year. The sales volume of the Group's feeder cable series products increased by approximately 6,400 kilometres to approximately 103,200 kilometres year on year. As a result of market price competition, the gross profit margin decreased by approximately 1.6 percentage points to approximately 14.6% as compared to that of last year.

Flame-retardant flexible cable series — approximately 39.1% of the total turnover

Flame-retardant flexible cable series, a major product of the Group, are mainly used as an internal connection cable for power systems or mobile cable transmission and distribution systems. Due to the impact of the COVID-19 pandemic, the turnover of flame-retardant flexible cable series decreased by approximately 14.9% year on year to approximately RMB1,029.3 million for the Year. As a result of market price competition, the gross profit margin decreased by approximately 2.3 percentage points to approximately 11.5% as compared to that of last year.

Optical fibre cable series and related products — approximately 7.9% of the total turnover

As a result of the market price competition, the turnover of optical fibre cable series products decreased by approximately 61.3% year on year to approximately RMB208.8 million. Sales volume of optical fibre cable decreased by approximately 8,892,000 fibre kilometres year on year to approximately 2,675,000 fibre kilometres. The gross profit margin decreased by approximately 2.5 percentage points to approximately 13.3%.

Major customers and sales network

Apart from pricing, the three major telecommunications operators in the PRC continued to take other important factors into consideration, including comprehensive strength, delivery capacities, guaranteed service quality, an extensive network coverage in the region when selecting business partners. In addition, developed provinces in the PRC have set higher standards for business partners in terms of their comprehensive quality. The Group has a good track record, diverse product portfolio, excellent product quality and comprehensive and efficient after-sales services and therefore maintains its leading position in terms of comprehensive strength and market share amongst business partners with the three major telecommunications operators in the PRC. The Group also succeeded in obtaining additional share of variation order projects on top of its existing market share, fully proving the strength and market leadership of the Group.

As at 31 December 2022, the Group maintained business relationships with all 31 provincial subsidiaries of China Unicom, 29 out of the 31 provincial subsidiaries of China Mobile, 29 out of the 31 provincial subsidiaries of China Telecom and 29 out of the 31 provincial subsidiaries of China Tower.

The turnover derived from China Unicom, China Mobile, and China Telecom accounted for approximately 39.4%, 35.9%, and 11.6% of the Group's turnover during the Year, respectively. Besides having close cooperation with the three major telecommunications operators in the PRC, the Group also maintained a good business relationship with other customers. By closely following the latest movements of its business partners, the Group will timely adjust its business strategy.

Marketing strategy

Leveraging on finance cost advantages to actively support the development of China's telecommunications industry; focusing on expansion of telecommunications business through scientific research capability and winning customer trust with quality

Since the inception of the Group, approximately 90% or more of its annual sales have been made to the three major telecommunications operators in the PRC and (the subsequently established) China Tower. From the 3G and 4G eras to the official kick-off of the era of 5G commercialisation in China, the Group, as a supplier of base station and communication network construction products including feeder cable, optical and electrical hybrid cables and flame-retardant flexible cables, has been benefiting from China's rapid development of the telecommunications industry in network construction and is one of the key beneficiary enterprises in the industry. In view of the Group's low financing costs with its years of credibility and its understanding that China's telecommunications operators require substantial capital for network construction in the course of their rapid network construction, to promote the efficiency and effectiveness of telecommunications infrastructure construction as well as to provide strong support to the high-quality development of China's telecommunications industry, as part of its marketing strategies, the Group has granted additional credit cycle to the key customers of the Group, being China's three major telecommunications operators and China Tower, in line with the high growth of their network construction, so as to gain market share and maintain a long-term sound cooperative relationship with them. Since the establishment of the Company and up to date, as part of its marketing strategies, the Group generally grants its customers a credit period ranging from 180 days to 360 days, leading to the Group's relatively longer period of turnover days of accounts receivables. In recent years, the turnover days for trade and bills receivables is above one year. Meanwhile, the proportion of trade receivables in the total assets of the Group is relatively high as a result of the said marketing strategy for supporting the network investment of China's three major telecommunications operators and China Tower. With an emphasis on scientific research and development in the telecommunications industry, the Group makes significant annual investment in research and development, and focuses on the sales of telecommunications

equipment to improve the competitiveness of the Group. In terms of overseas sales, the Group strives to win the trust of customers with quality, and is highly cautious in handling accounts receivable from overseas customers. It is expected that the Group will maintain the relevant policies in the 5G era, while expanding sales channels of the Group and seeking growth opportunities for business development.

Patents, awards and recognition

As at 31 December 2022, the Group had obtained 207 patents, comprising 70 invention patents and 137 utility model patents in the PRC.

- according to the statistics from the Optical Fiber and Electric Cable Sub-association of the China Electronic Components Association (中國電子元件行業協會光電線纜分會), Trigiant Technology ranked first in terms of sales volume of feeder cable among the feeder cable manufacturers in the PRC for several consecutive years since 2010;
- Trigiant Technology was awarded the National Enterprise Technology Center and the Jiangsu Outstanding Contribution Manufacturer Award;
- Trigiant Optic-Electric was awarded as Jiangsu Enterprise Technology Center; and
- Trigiant Technology and Trigiant Optic-Electric have been rated AAA (Integrated Credit) by China's Lianhe Credit Information Service Co., Ltd, Jiangsu Branch in September 2022.

Prospects and future plans

Looking forward to the future, due to the complex and changing global political and economic environment, China will face challenges, such as COVID-19-induced uncertainties and supply chain disruptions. In light of China's success in pandemic prevention and control, economic activities across the country have gradually returned to normal, and restarting the economy in the post-pandemic period has become an important goal at present. As the core industry of the 14th Five-Year Plan, the 5G industry will drive China's digital economy to a new level of in-depth application, standardised development and inclusive sharing, and empower the digital upgrade of a wide range of industries. After the basic completion of construction of 5G network infrastructure, 5G coverage will shift from “wide coverage” to “precise coverage”. Major operators are concentrating on building their core competitiveness in 5G commercialisation and gradually increasing efforts on cooperation and capital integration in the 5G field to further stimulate the market demand for 5G equipment. Through co-building and sharing with China Broadcasting Network Co. Ltd (“China Broadcasting”), China Mobile focuses on building a 700MHz band, which will gradually release the strong development potential in the low frequency band, and allow 5G to work in all frequency bands. China

Unicom announced that the 900MHz resources currently used in 2G/3G/4G system will be used for 5G development, aiming to achieve complete 5G coverage. As major operators implement the concept of co-building and sharing, the pace of 5G construction harmonises with high-quality industrial development. The Group, a core product supplier for 5G base station construction, will continuously benefit from the in-depth integration in the communications industry. Active efforts will be made to innovate new products related to 5G on the existing basis, including the research and development (“R&D”) and industrialisation of 5G wideband mmWave up- and down-conversion module series, the R&D of elevator traveling photoelectric composite cable for residential use, and the application of 2-core optical fibre cable modules in the 5G system.

During the rapid development of 5G, China has taken the lead in deploying 6G technology. China will expedite the construction of 5G and gigabit optical networks, and comprehensively push ahead with the R&D of 6G technology, said MIIT at the national conference on industry and information technology on 11 January 2023. The Group will pay close attention to the development progress of 6G, actively conduct pre-studies on 6G products, and plan in advance for the arrival of 6G.

1. Acceleration of the development of mmWave products

As one of the core technologies of 5G, mmWave is technically superior with high bandwidth, low latency rate, anti-interference performance, high reliability and high security, which can meet a wide range of scenarios for 5G commercialisation and 6G application. Aiming at the huge development opportunities of mmWave in the future, the Group will strengthen its efforts on product R&D, including recruiting more senior engineers with independent development and marketing capabilities and advancing the R&D process of mmWave products to launch more distinctive and richer mmWave products, as an attempt to consolidate its technical superiority by enhancing its R&D competitiveness. Moreover, in respect of market development strategy, the Group will increase advertisement placements on Microwave Journal, which has the highest circulation in the microwave industry, in order to enhance product awareness to boost sales performance. Actions will be taken to look for sales agents and participate in varied product exhibitions at home and abroad to deepen efforts to expand the market and business.

2. Continuous efforts to make presence in industries related to Internet of Things (“IoT”)

Digital economy is an important growth engine for economic and social development during the 14th Five-Year Plan period, said the State Council in the plan to further promote the development of the digital economy during the 14th Five-Year Plan period. China's digital economy is expected to surpass RMB6 billion by 2025, according to a forecast by CAICT. With the increasingly urgent digital transformation of the economy

and society, IoT will become one of the key technologies in the development of digital economy, and the industry demand will show a rapid growth trend. The Group, a member of the national innovation alliance for IoT and AI applications in forestry and grassland, is actively seeking more diversified IoT application solutions, in a bid to seize the huge development potential of China's IoT market.

3. *Expansion to reach new customers*

China Broadcasting's penetration into China's 5G market not only breaks the lasting competition pattern of the industry, but also activates the future development potential of the industry, which encourages other market participants to explore the possibility of the integration of the communications industry in different fields and scenarios. China Broadcasting is now focusing on building cable TV networks. In the future, the Group will pay close attention to cooperation opportunities with China Broadcasting, actively study its new development model of "cable +5G", and find more new blue oceans for development under the wave of 5G. The Group will strive to maintain long-term partnerships with the three major telecommunications operators, China Tower, ZTE, Huawei and other partners, closely follow up the relevant tender projects, and strengthen the cooperation with universities and colleges, in order to seek different cooperation opportunities from various angles. With regard to developing new customers overseas, the Group mainly maintains and develops stable cooperative relations with customers in Thailand, South Korea and other countries, with a view to further increasing its market share and developing a broader and diversified customer portfolio.

Financial performance review

Turnover

Total turnover of the Group decreased by approximately RMB232.1 million, or approximately 8.1%, from approximately RMB2,862.5 million in 2021 to approximately RMB2,630.3 million in 2022. The decrease in turnover was mainly contributed by the decrease in the turnover of optical fibre cable series products and flame-retardant flexible cable series and related products of approximately RMB330.4 million and RMB180.9 million respectively, and such decrease was partially offset by the increase in turnover of feeder cable series products of approximately RMB274.6 million, further particulars of which are set out in the section headed "Management discussion and analysis — Breakdown of turnover by products" above.

Overall sales to the three major telecommunications operators in the PRC decreased by approximately RMB381.7 million from approximately RMB2,669.8 million in 2021 to approximately RMB2,288.1 million in 2022.

Cost of goods sold

Cost of goods sold decreased by approximately RMB160.5 million, or approximately 6.6%, from approximately RMB2,438.5 million in 2021 to approximately RMB2,278.0 million in 2022. The cost of materials consumed remained the major components of cost of goods sold and accounted for approximately 90.4% and 93.1% of the total cost of goods sold in 2021 and 2022 respectively.

Gross profit and gross profit margin

Gross profit decreased by approximately RMB71.6 million, or approximately 16.9%, from approximately RMB423.9 million in 2021 to approximately RMB352.3 million in 2022. The overall gross profit margin was approximately 13.4% in 2022, representing a decrease of approximately 1.4 percentage points as compared with 2021. The decrease in overall gross profit margin is mainly a result of the market price competition.

Other income

Other income decreased by approximately RMB0.5 million, or approximately 2.4%, from approximately RMB19.5 million in 2021 to approximately RMB19.1 million in 2022. Such decrease was primarily due to the decrease in investment income from other financial assets in 2021.

Impairment losses

Impairment losses under expected credit loss model, net of reversal or provision, on trade receivables of approximately RMB203.9 million was recorded for 2022 as compared to a record of reversal of impairment losses of approximately RMB24.2 million for 2021, due to the peak of the pandemic in China in December 2022 which affected the collection process of trade receivables.

Other gain and loss

The Group recorded other gain of approximately RMB2.9 million in 2022 as compared to other loss of approximately RMB0.6 million in 2021, mainly attributable to an exchange gain of approximately RMB2.9 million recorded in 2022 as compared to an exchange loss of approximately RMB0.6 million recorded in 2021.

Selling and distribution costs

Selling and distribution costs decreased by approximately RMB21.8 million, or approximately 30.3%, from approximately RMB72.0 million in 2021 to approximately RMB50.1 million in 2022, mainly due to the decrease in intangible asset amortisation expense.

Administrative expenses

Administrative expenses decreased by approximately RMB3.0 million, or approximately 7.3%, from approximately RMB41.7 million in 2021 to approximately RMB38.7 million in 2022. Such decrease was primarily due to the decrease in welfare expense and office expenses.

Research and development costs

Research and development costs decreased by approximately RMB14.0 million, or approximately 24.0%, from approximately RMB58.1 million in 2021 to approximately RMB44.2 million in 2022, primarily due to the decrease in research expenses in optical fibre cable series and related products.

Finance costs

Finance costs decreased by approximately RMB3.7 million, or approximately 5.6%, from approximately RMB65.4 million in 2021 to approximately RMB61.7 million in 2022. Such decrease was primarily due to decrease in bank borrowings rate in 2022.

Taxation

Taxation charge increased by approximately RMB9.6 million, or approximately 42.8%, from approximately RMB22.4 million in 2021 to approximately RMB32.0 million in 2022. The increase in taxation charge in 2022 was primarily attributable to increase in one-off withholding tax charged for the reorganisation incurred during the Year.

(Loss) profit for the year

As a combined result of the foregoing, the Group recorded a loss for the year of approximately RMB56.4 million for the Year, as compared to a profit for the year of approximately RMB207.5 million for 2021, and a corresponding net loss margin for the Year of approximately 2.1%, as compared to net profit margin for 2021 of approximately 7.2%.

Liquidity, financial resources and capital structure

During the Year, the operation of the Group was generally financed through a combination of internally generated cash flows and bank borrowings. In the long term, the operation of the Group will be funded by internally generated cash flow and, if necessary, additional equity financing and bank borrowings.

The following table summarises the cash flows for the two years ended 31 December 2022:

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Net cash from operating activities	190,677	47,769
Net cash from (used in) investing activities	3,802	(58,599)
Net cash used in financing activities	(117,027)	(216,886)

As at 31 December 2022, the Group had bank balances and cash and pledged bank deposits of approximately RMB728.3 million and the majority of which were denominated in RMB. As at 31 December 2022, the Group had total borrowings of approximately RMB1,685.1 million which included bank borrowings of RMB1,210.0 million and borrowings under bills payables financing arrangements of RMB475.1 million, which are repayable within one year. As at 31 December 2022, RMB680.0 million of the total bank borrowings were fixed rate borrowings, approximately RMB530.0 million were variable rate borrowings and approximately RMB475.1 million were variable rate discounted bills payables classified as borrowings. As at 31 December 2022, bank borrowings of approximately RMB1,210.0 million were denominated in RMB.

In 2022, the Group had recorded (a) an increase in borrowings of approximately RMB420.1 million, whereby total borrowings as at 31 December 2022 was approximately RMB1,685.1 million when compared to the total borrowings at 31 December 2021 of approximately RMB1,265.0 million; and (b) on the other hand, a decrease in trade and other payables of approximately RMB590.9 million, whereby trade and other payables as at 31 December 2022 was approximately RMB85.6 million when compared to trade and other payables as at 31 December 2021 of approximately RMB676.5 million. The fluctuation was because the Group has entered into bills payables financing arrangements with banks and has borne such interest payment for a better trading term with those suppliers. Under these arrangements, the banks pay suppliers the amounts owed by the Group in advance of the original due dates of the bills payables issued by the Group at a discount offered by the suppliers. In 2022, taking into consideration the nature and substance of the above arrangements, the Group presents these bills payables of RMB475.1 million (31 December 2021: Nil) to the banks under these arrangements as “borrowings” in the condensed consolidated statement of financial position.

During the Year, the majority of the Group’s transactions were denominated in RMB and the Group did not enter into any financial instrument for hedging foreign currency exposure. The Group currently does not have any foreign currencies hedging instrument but will consider hedging its foreign currency exposure should the need arise.

Gearing ratio

Gearing ratio of the Group, calculated as total bank borrowings net of pledged bank deposits and bank balances and cash divided by total equity, increased from approximately 16.5% as at 31 December 2021 to approximately 27.0% as at 31 December 2022. Such increase was primarily resulted from the impact of the bills payables financing classified as borrowings in 2022.

Pledge of assets

As at 31 December 2022, the Group pledged bank deposits of approximately RMB191.6 million (2021: RMB210.4 million) to secure certain credit facilities granted to the Group, those credit facilities include letter of credit and bills factoring.

Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2022.

Employee information

As at 31 December 2022, the Group had a total of 748 full time employees (2021: 963). In order to enhance the morale and productivity of employees, employees are remunerated based on their performance, experience and prevailing industry practices. Compensation policies and packages of management staff and functional heads are being reviewed on a yearly basis. In addition to basic salary, performance related salary may also be awarded to employees based on internal performance evaluation. Moreover, the Company adopted a share option scheme in May 2014 which allows the Company to grant share options to, among other persons, Directors and employees of the Group in order to retain elite personnel to stay with the Group and to provide incentives for their contribution to the Group.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES OR ASSOCIATED COMPANIES

During the year ended 31 December 2022, the Group had no material acquisition or disposal of subsidiaries or associated companies. The Group had no significant investments held during the year ended 31 December 2022.

CLOSURE OF THE REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company (“AGM”) is scheduled to be held on 15 May 2023. To ascertain the shareholders’ entitlements to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 9 May 2023 to Monday, 15 May 2023, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the entitlement to attend and vote at the AGM, all transfer of shares accompanied by the relevant shares certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. on Monday, 8 May 2023 (Hong Kong time).

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Corporate Governance Code (“Corporate Governance Code”) as set out in Part 2 of Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) as its code of corporate governance.

Save for the deviation from code provision C.2.1 of the Corporate Governance Code as described below, the Board considers that, the Company has complied, to the extent applicable and permissible, with the code provisions as set out in the Corporate Governance Code during the year ended 31 December 2022 and the Directors will use their best endeavours to procure the Company to comply with such code and make disclosure of deviation from such code in accordance with the Listing Rules.

Under the code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. With the appointment of Mr. Qian Lirong as the Group chief executive officer with effect from 31 December 2019, the roles of the chairman and the chief executive officer of the Group are not separated and are performed by the same individual, Mr. Qian Lirong. Mr. Qian Lirong joined the Group in 2007 and, as executive Director and chairman of the Board, is principally responsible for the overall strategic development of the Group’s operation as well as overall management of the Group. The Board believes that vesting both the roles of chairman and chief executive officer in the same person can ensure consistent leadership and enables more effective and efficient overall strategic planning for the Group. In addition, the Board is of the view that the balanced composition of executive and non-executive Directors (including the independent non-executive Directors) on the Board and the various committees of the Board (primarily comprising independent non-executive Directors) in overseeing different aspects of the Company’s affairs would provide adequate safeguards to ensure a balance of power and authority. As such, the Directors

consider that this structure will not impair the balance of power and authority between the Directors and the management of the Group and believe that this structure will enable the Group to make and implement decisions promptly and efficiently.

AUDIT COMMITTEE

An audit committee of the Board (“Audit Committee”) has been established with written terms of reference to, among other matters, review and supervise the financial reporting process and internal control and risk management systems of the Group. The Audit Committee comprises all the independent non-executive Directors, namely Mr. Chan Fan Shing and Professor Jin Xiaofeng. Mr. Chan Fan Shing is the chairman of the Audit Committee. The annual results of the Group for the year ended 31 December 2022 have been reviewed by the Audit Committee.

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

During the year ended 31 December 2022, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities for the year ended 31 December 2022.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 to the Listing Rules as the code of conduct for Directors in their dealings in the Company’s securities. Having made specific enquiry to all the Directors, all the Directors confirmed that they had complied with the required standard of dealings as set out in the Model Code for the year ended 31 December 2022.

SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 28 March 2023. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.trigiant.com.hk). The annual report for the year ended 31 December 2022 of the Company containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

On behalf of the Board
Trigiant Group Limited
Qian Lirong
Chairman

Hong Kong, 28 March 2023

As at the date of this announcement, the Board comprises the following members:

<i>Executive Directors:</i>	Mr. Qian Lirong (<i>Chairman and Group chief executive officer</i>) Mr. Qian Chenhui
<i>Non-executive Director:</i>	Mr. Zhang Dongjie
<i>Independent non-executive Directors:</i>	Professor Jin Xiaofeng Mr. Chan Fan Shing