



中國稀土控股有限公司 China Rare Earth Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock code 股份代號：00769

ANNUAL REPORT 2022 年報



CRE



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公司資料

CORPORATE INFORMATION

董事

執行董事

錢元英女士(主席)

蔣泉龍先生

蔣大偉先生

蔣才南先生

獨立非執行董事

黃春華先生

金重先生

竇學宏先生

審核委員會

黃春華先生(主席)

金重先生

竇學宏先生

薪酬委員會

竇學宏先生(主席)

黃春華先生

金重先生

提名委員會

金重先生(主席)

黃春華先生

竇學宏先生

公司秘書

羅納德先生

註冊辦事處

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

總辦事處及主要營業地點

中國江蘇省

宜興市丁蜀鎮

香港營業地點

香港九龍

尖沙咀加連威老道100號

港晶中心10樓1011室

DIRECTORS

Executive Directors

Ms. Qian Yuanying (Chairman)

Mr. Jiang Quanlong

Mr. Jiang Dawei

Mr. Jiang Cainan

Independent Non-executive Directors

Mr. Huang Chunhua

Mr. Jin Zhong

Mr. Dou Xuehong

AUDIT COMMITTEE

Mr. Huang Chunhua (Chairman)

Mr. Jin Zhong

Mr. Dou Xuehong

REMUNERATION COMMITTEE

Mr. Dou Xuehong (Chairman)

Mr. Huang Chunhua

Mr. Jin Zhong

NOMINATION COMMITTEE

Mr. Jin Zhong (Chairman)

Mr. Huang Chunhua

Mr. Dou Xuehong

COMPANY SECRETARY

Mr. Law Lap Tak

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Dingshu Town, Yixing City

Jiangsu Province, the PRC

PLACE OF BUSINESS IN HONG KONG

Unit 1011, 10/F., Harbour Crystal Centre

100 Granville Road, Tsim Sha Tsui

Kowloon, Hong Kong

香港法律顧問

趙不渝 馬國強律師事務所

核數師

天健德揚會計師事務所有限公司

主要往來銀行**中國**

中國建設銀行股份有限公司
 招商銀行股份有限公司
 中國交通銀行股份有限公司
 中國農業銀行股份有限公司
 中國銀行股份有限公司

香港

中信銀行(國際)有限公司
 法國巴黎銀行
 中國銀行(香港)有限公司
 南洋商業銀行有限公司

主要股份過戶登記處

Suntera (Cayman) Limited
 Suite 3204, Unit 2A
 Block 3, Building D
 P.O. Box 1586
 Gardenia Court, Camana Bay
 Grand Cayman KY1-1110
 Cayman Islands

香港股份過戶登記分處

香港中央證券登記有限公司
 香港
 皇后大道東183號
 合和中心17樓

互聯網址www.creh.com.hk**香港聯合交易所有限公司股份代號**

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公關顧問

偉達公共關係顧問

HONG KONG LEGAL ADVISERS

Chiu & Partners

AUDITOR

Ascenda Cachet CPA Limited

PRINCIPAL BANKERS**PRC**

China Construction Bank Corporation
 China Merchants Bank Company Limited
 China Bank of Communications Company Limited
 Agricultural Bank of China Limited
 Bank of China Limited

Hong Kong

China CITIC Bank International Limited
 BNP Paribas
 Bank of China (Hong Kong) Limited
 Nanyang Commercial Bank, Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
 Suite 3204, Unit 2A
 Block 3, Building D
 P.O. Box 1586
 Gardenia Court, Camana Bay
 Grand Cayman KY1-1110
 Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
 17th Floor, Hopewell Centre
 183 Queen's Road East,
 Hong Kong

INTERNET WEBSITEwww.creh.com.hk**STOCK CODE ON THE STOCK EXCHANGE OF HONG KONG LIMITED**

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PUBLIC RELATIONS CONSULTANT

Hill+Knowlton Strategies

財務摘要

FINANCIAL HIGHLIGHTS

收入

REVENUE

截至十二月三十一日止年度
For the year ended 31 December

	百萬港元 HK\$'M
2018	902
2019	1,019
2020	1,112
2021	1,212
2022	810

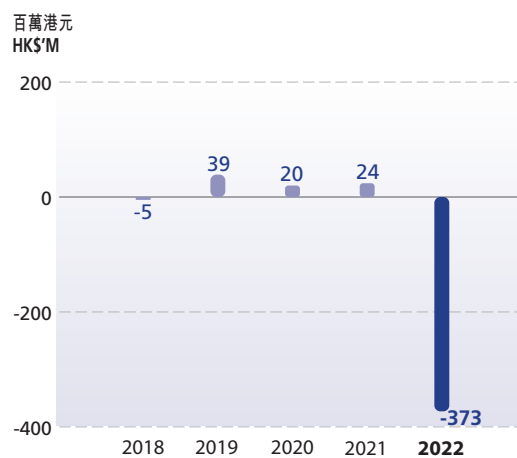


本公司擁有人應佔溢利／(虧損)淨額

NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

截至十二月三十一日止年度
For the year ended 31 December

	百萬港元 HK\$'M
2018	-5
2019	39
2020	20
2021	24
2022	-373



資產淨值

NET ASSETS

於十二月三十一日
As at 31 December

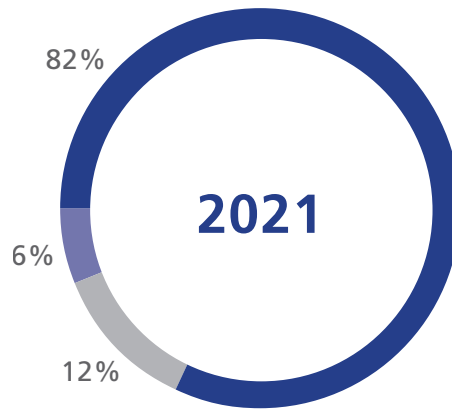
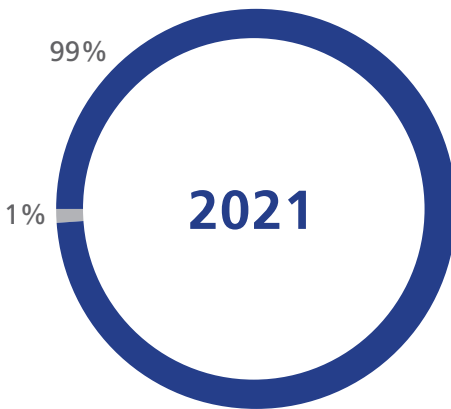
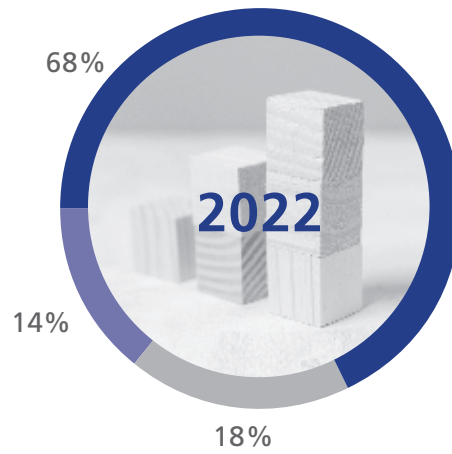
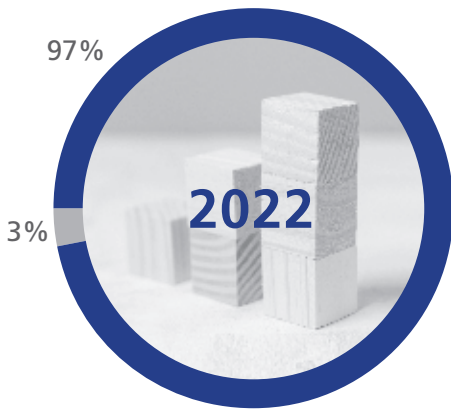
	百萬港元 HK\$'M
2018	2,619
2019	2,602
2020	2,785
2021	2,890
2022	2,276



收入 REVENUE

稀土產品類
Rare Earth Products

耐火產品類
Refractory Products



- 中華人民共和國 The People's Republic of China
- 日本 Japan
- 其他 Others

主席報告書

CHAIRMAN'S STATEMENT

致各位股東：

本人謹代表董事會（「董事會」）向各位股東提呈中國稀土控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）截至二零二二年十二月三十一日止全年業績報告。

二零二二年，中國二零一九新型冠狀病毒病疫情持續反覆，國內部份主要城市，包括金融中心上海，以及科技和製造業聚集的深圳，因疫情升溫而進入嚴格的封控狀態。而在國內西南地區的商業與製造業重鎮成都，亦在下半年實施了限電供應及疫情封控。封控措施衝擊中國製造業，使本集團的業績表現備受壓力。但隨著中國國務院在十二月發佈了俗稱「新十條」的優化防控措施（即「關於進一步優化落實新冠肺炎疫情防控措施的通知」），延續了三年的「堅持動態清零」政策亦在二零二二年底正式宣告終結。中國經濟在前所未有的挑戰中展現出強勁韌性，亦為企業的修復奠定了穩固的基礎，有市場分析預計中國經濟成長有望在二零二三年第二季度重回正軌。

To Shareholders:

On behalf of the Board of Directors (the "Board"), I am pleased to present to you the annual results of China Rare Earth Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2022.

In 2022, the COVID-19 situation in China remained volatile. Various major cities in the country, including Shanghai, the financial centre, and Shenzhen, the nation's technology and manufacturing hub, entered strict lockdown when the pandemic escalated to its peak levels. In the southwestern region of China, Chengdu, a major commercial and manufacturing city, also implemented power supply restrictions and pandemic control measures in the second half of the year. Overall, lockdown measures impacted China's manufacturing industry and put pressure on the Group's performance. That said, the State Council of the People's Republic of China issued the "Ten New Rules" in December (that is, the "Notice on Further Optimizing and Implementation of COVID Prevention and Control Measures"). The "dynamic zero-COVID" strategy was officially discontinued at the end of 2022 after three conservative years. China's economy has shown strong resilience amid unprecedented challenges, and it has also laid a solid foundation for enterprises to recover. Market analysts predict that China's economic growth is expected to return to form in the second quarter of 2023.

財務業績

截至二零二二年十二月三十一日止年度，本集團錄得收入共約810,413,000港元，與二零二一年約1,212,471,000港元相比減少約33%。稀土產品收入約為546,615,000港元，較二零二一年約858,249,000港元減少約36%，佔總收入的約67%。耐火產品收入較二零二一年約354,222,000港元下調約26%至約263,798,000港元，佔總收入的約33%。

年內，本集團只錄得輕微毛利。疫情帶來不確定性。本集團為履行企業的社會責任，保護地區的生態環境，就宜興市政府對企業進行土壤污染防治排查而對廠房有關地塊進行修復維護工程。由於工程涉及金額較大，影響了本集團二零二二年度業績。年內本集團錄得淨虧損約為393,677,000港元，比對二零二一年淨溢利約25,436,000港元。每股虧損約15.94港仙（二零二一年每股盈利約1.04港仙）。

業務回顧

稀土業務

二零二二年，世界從疫情中快速步向復常，但面對地緣政治局勢持續緊張，環球經濟遭遇多重的因素交錯打擊，世界各地的許多製造產業，從上游的原材料採購，生產製造以至物流付運，均無可避免的遭受不同程度的影響。然而隨著新能源產業鏈的發展，新能源汽車和風力發電的電機對稀土永磁材料的需求不斷上漲。同時，中國國家政策有序推進碳達峰、碳中和，支持高效節能的永磁電機有望加速滲透，稀土磁性材料市場持續走強。

FINANCIAL RESULTS

For the year ended 31 December 2022, the Group recorded revenue of approximately HK\$810,413,000, a 33% decrease from HK\$1,212,471,000 in 2021. Revenue from the Group's rare earth products recorded revenue of approximately HK\$546,615,000, a 36% decrease from HK\$858,249,000 in 2021, and accounted for about 67% of the Group's total revenue. As for refractory products, revenue was around HK\$263,798,000, a 26% decrease from HK\$354,222,000 in 2021, while accounting for about 33% of total revenue of the Group.

During the year, the Group recorded only a thin gross profit. There were uncertainties brought about by the pandemic and the Group's maintenance of the area of factory in response to the Yixing Government's investigation of soil pollution prevention and control, in order to fulfill its corporate social responsibilities, as well as to protect the ecological environment of the area. Given the large amount involved, the Group's 2022 annual results was affected. The Group recorded a net loss of about HK\$393,677,000, compared to a net profit of about HK\$25,436,000 in 2021. Loss per share recorded about HK 15.94 cents (earnings per share was approximately HK 1.04 cents for 2021).

BUSINESS REVIEW

Rare Earth Business

In 2022, the world has rapidly returned to normal as the global pandemic subsided. However, the global economy faced multiple challenges due to continued geopolitical tensions. Manufacturing processes around the world – including upstream raw material procurement, manufacturing, and even logistics and transportation – have been impacted to varying degrees. Despite this, the demand for rare earth permanent magnetic materials used in new energy vehicles and wind power motors continues to rise as the new energy industry continues to develop. Meanwhile, China continues to promote carbon peaking and carbon neutrality at a national policy level has resulted in a stronger demand for rare earth magnetic materials. This is expected to accelerate the adoption of efficient and energy-saving permanent magnet motors, and boost market penetration.

主席報告書

CHAIRMAN'S STATEMENT

年內，本集團售出稀土產品的平均銷售單價較去年波動，經歷升跌。統計下來，本年主要產品如氧化鏷的平均價格較去年上升了約三成；氧化鈮的價格更上升了約七成；而氧化鐳的價格則持平。雖然平均銷售單價上升了，但銷售數量卻較去年減少了。年內，本集團銷售了約670噸稀土產品，較二零二一年減少了約兩成半。稀土分部銷售額錄得約546,615,000港元，較去年減少了約36%。

國內稀土資源由各大型國營企業所控制，而從國外進口的資源又因疫情及通關等因素而變得緊張。本集團的稀土業務運作模式早已逐步轉型至以貿易加工為主。年內本集團的稀土產品加工業務亦因廠區土地繼續檢測評估後又進行大規模修復維護工程而影響運作，稀土產品價格的波動亦增加了本集團的經營成本。回顧年內，本集團的稀土分部錄得毛虧率約6%。

中國重要的製造和貿易重鎮因「封控」及限電等因素而影響了生產力和經濟活動，但本集團稀土產品的地域市場分佈仍集中在中國內銷市場，佔稀土產品總收入的比例約97%。日本及其他海外市場佔約3%。

During the year, the average selling price of rare earth products sold by the Group showed more volatility than the year before. Statistics reveal that the average price of core products such as neodymium praseodymium oxide rose by about 30% year-on-year, the price of terbium oxide rose by about 70% year-on-year, and the price of dysprosium oxide remained stable. Although the average selling price increased, the sales volume decreased compared to last year. During the year, the Group sold about 670 tonnes of rare earth products, a year-on-year decrease of about 25%. Sales revenue from the rare earth segment amounted to approximately HK\$546,615,000, with a year-on-year decrease of about 36%.

Domestic rare earth resources are controlled by large state-owned enterprises, while imports were limited due to the pandemic and customs clearance issues. The operating model of the Group's rare earth business has gradually shifted to focus on trading and further processing. During the year, the Group's rare earth product processing business faced challenges due to significant repair and maintenance works following factory inspections and evaluations. Additional challenges were posed by fluctuations in rare earth product prices that increased operational costs. As a result, the Group's rare earth segment recorded a gross loss ratio of about 6%.

The productivity and economic activities of China's important manufacturing and trading areas were affected by the "lockdown" measures and power cuts. However, the geographical market distribution of the Group's rare earth products remains concentrated in China's domestic market, accounting for about 97% of the total revenue of rare earth products. Japan and other overseas markets accounted for about 3%.

耐火材料業務

中國在二零二二年尤其在下半年針對疫情的防控措施再度收緊，多個經濟重點城市實施「封控」及限制工業電力用戶生產，供應鏈陷於緊張，部分工廠停工停產，導致經濟活動未能完全復甦。鋼鐵、玻璃等行業所面臨的壓力亦伸延至耐火材料行業。中國內銷的跌幅直接拉低了本集團耐火材料業務於年內的表現。二零二二年，本集團售出了約24,600噸耐火材料產品，較去年同期下跌約三成。主要產品平均價格有所上調，電熔鎂鎢磚和澆注料的價格較去年上升了不足一成；鋁碳磚的價格上升了約兩成半；而高溫陶瓷產品的價格更較去年上升了逾五成。回顧年內本集團耐火材料產品的銷售額約205,999,000港元，比去年減少了約30%。透過有效的成本控制，年內有關的毛利率上升至約18%。

另一方面，中國遼寧省近年來對鎂石礦場的整合和開採政策的管控越趨嚴謹。二零二二年初，國家舉辦冬季奧運會。當地廠家為了保護環境均停工停產。及後疫情反覆肆虐，眾多鎂石礦場只能斷續經營。本集團的鎂砂業務亦不能避免受到影響。年內本集團售出了約18,900噸鎂砂產品，比去年減少了約一成半。產品平均售價與去年相若，只上升了約半成。有關的銷售額比去年下跌了約5%至約57,799,000港元。成本方面，由於原材料鎂石供應不穩定，質量受到一定程度的影響，導致工序用料大幅增加，再加上生產電熔鎂砂時需要用到的原材料電極之成本單價比去年上漲了逾六成，致使平均生產成本飆升。回顧年內本集團鎂砂業務由盈轉虧，毛虧率約7%。

Refractory Materials Business

China's pandemic prevention and control measures were tightened again in 2022, especially in the latter half of the year. Many key economic cities implemented lockdowns and restricted the use of industrial power. The supply chain has been strained, with some factories halted production. This has hindered a full economic recovery. The pressure faced by industries such as steel and glass also extended to the refractory industry. The decline in domestic sales in China directly dragged down the performance of the Group's refractory materials business during the year. In 2022, the Group sold approximately 24,600 tonnes of refractory materials products, which amounts to an approximate 30% year-on-year decrease. The average selling price of major products increased: the price of fused magnesia-chrome bricks and casting materials increased by less than 10%; the price of aluminum carbon bricks increased by about 25%; and the price of high temperature ceramic products increased by over 50% year-on-year. During the year, the revenue brought by refractory materials amounted to approximately HK\$205,999,000, with a year-on-year decrease of approximately 30%. Through effective cost control, the gross profit margin of the division increased to approximately 18%.

On the other hand, in recent years, Liaoning Province has increasingly tightened control over the integration and exploitation policies of magnesite mines. In early 2022, local enterprises were affected by certain production suspensions due to the hosting of the Winter Olympic Games in China and the need for pandemic prevention amid its resurgence. As a result, many magnesite mines could only operate intermittently, and the magnesium grains business was unavoidably affected. During the year, the Group sold about 18,900 tonnes of magnesium grains products, a decrease of about 15% from last year. The average selling price of the product remained similar to last year, with a year-on-year increase of about 5% only. The sales value fell by about 5% year-on-year to approximately HK\$57,799,000. In terms of costs, material usage in the production process increased significantly due to affected quality of magnesite raw materials as a result of the unstable supply. In addition, the unit cost of the electrodes used in the production of electric fused magnesia increased by more than 60% compared to last year, resulting in a surge in average production costs. The Group's magnesium grains division ceased to be profitable, resulting in a gross loss ratio of roughly 7%.

主席報告書

CHAIRMAN'S STATEMENT

綜合而言，二零二二年本集團的耐火材料分部錄得銷售額約263,798,000港元，較去年減少了約26%。分部毛利率約12%。

地域市場分佈方面，中國內地市場受疫情影響而下滑。幸好日本和韓國等海外地區的經濟因防疫措施撤減而有所回暖，導致耐火材料產品的出口增加。回顧年內本集團的耐火產品在中國內銷市場佔本集團耐火產品收入比例下降至約68%。日本市場佔約18%、韓國及其他海外市場佔餘下約14%。

環境維護工程

於二零二一年，中國無錫市政府更新了區內土壤污染重點監管單位名錄。同年宜興市政府亦要求有關企業進行土壤污染防治排查。二零二二年上半年，本集團委聘了獨立專業機構對稀土生產廠區進行土壤及地下水環境調查。檢測分析後發現廠區內存在污染物超標隱患。為防範風險擴散，保障周遭生態環境及承擔社會責任，本集團管理層與專家商議後，於二零二二年下半年落實對有關地塊進行全面修復方案。整項修復維護工程總金額（扣除稅項）約326,412,000港元，並於損益表內確認為其他經營開支。有關工程已於年底前完成。雖然是次復修所涉及的金額較大，直接影響本集團二零二二年的業績表現，但相較更為重要的，是能更長遠的維護環境，並讓大家在安全的環境下進行營運。

Overall, the Group's refractory materials business saw a total revenue in 2022 of approximately HK\$263,798,000, which represents a year-on-year decrease of around 26%. Segmental gross profit margin was approximately 12%.

In terms of geographical market distribution, the market in mainland China declined due to the impact of the pandemic. Fortunately, the economy in overseas regions such as Japan and Korea has rebounded due to the easing of pandemic prevention measures, leading to an increase in exports of refractory materials products. During the year, the ratio of the Group's refractory products in the domestic market in China to total revenue in refractory product fell to approximately 68%. The Japanese market accounted for approximately 18% while other overseas markets, including Korea, accounted for the remaining about 14%.

Environmental Maintenance

In 2021, the Wuxi Government updated the list of key soil pollution supervision units within the region. In the same year, the Yixing Government also requested that related enterprises conduct soil pollution prevention and control investigations. In the first half of 2022, the Group engaged an independent professional organisation to conduct soil and groundwater environmental investigations at the area of its rare earth production plant. After testing and analysis, it was found that there were hidden risks of excessive pollutants at the area of factory and certain maintenance works was necessary to prevent the risk from spreading and affecting the surrounding ecological environment. In order to fulfil its social responsibility, the Group's management and experts discussed and implemented a comprehensive maintenance project for the affected area in the second half of 2022. The total amount to carry out the maintenance works (excluded tax) was approximately HK\$326,412,000 and it was recognised as other operating expenses in the statement of profit or loss. The project was completed before the end of the year. Although the amount involved in this repair was relatively large and directly affected the Group's 2022 financial performance, what is more important is to protect the environment in the long-run and provide employees with a safety working environment.

展望

隨著全球新能源發展和各國環保政策的推行，新能源汽車、稀土永磁電機、風力發電等迎來高速發展，高性能磁性材料的應用場景正在從傳統的消費電子向新興領域邁進。隨著研發技術的推進以及在國內「碳達峰、碳中和」政策的推動下，未來對高端稀土永磁材料的需求將大幅增長，稀土磁性材料行業的重要價值將日益突顯。本集團將緊抓市場向好的機遇，堅持穩中求進工作，貫徹落實高質量發展決策部署，充分發揮稀土應用功能的戰略價值。

於二零二一年末，國內若干稀土國營企業聯合起來組成了屬中國國務院國資委直接監管的中央企業中國稀土集團有限公司。展現了近年中國稀土業界重組，強強聯手，務求更高效的保障這推動高新科技發展的重要資源的進程。為了應對局勢及市場變化，本集團亦積極尋求合作夥伴，於二零二一年末已經與中國北方稀土（集團）高科技股份有限公司訂立戰略合作框架協議。然而其後受國內疫情影響出行，互相拜訪考察暫停，延誤了合作商討。至現時疫情已逐漸遠去，雙方將恢復緊密溝通，努力落實具體合作方案。此外，於二零二二年六月，本集團與隴川中鑫稀盛進出口有限公司訂立了投資諒解備忘錄，希望能透過有關投資向稀土上游延伸發展，為未來發展鋪路，加強競爭優勢。現時本集團正積極為投資前進行盡職調查。

PROSPECTS

The continuous development of new energy alongside the implementation of environmental protection policies around the globe. New energy vehicles, rare earth permanent magnetic motors, wind power generation, and other industries are experiencing rapid growth. The application of high-performance magnetic materials is trending away from traditional consumer electronics towards these emerging fields. With the advancement of research and development technology and the promotion of the “carbon peak and carbon neutrality” policy in China, the demand for high-end rare earth permanent magnetic materials is set to surge in the future, and the importance of the rare earth magnetic materials industry will become increasingly prominent. The Group will seize opportunities presented by these favourable market conditions, adhere to a business strategy of steady progression, make decisions that prioritise high-quality development, and fully showcase the valuable strategic role of rare earth application functions.

Several domestic rare earth state-owned enterprises in China formed China Rare Earth Group Co., Ltd. In end-2021, which is directly supervised by the State-owned Assets Supervision and Administration Commission of the State Council. This demonstrates the recent restructuring of China's rare earth industry, where companies are taking steps to ensure more efficient progress in promoting the development of high-tech industries. In response to changes in the industry, the Group is also actively seeking cooperation partners. We have already signed a strategic cooperation framework agreement with China Northern Rare Earth (Group) High-Tech Co., Ltd. at the end of 2021. However, due to the pandemic's impact, visits and inspections were suspended, which has delayed further discussion. Now that the pandemic is gradually subsiding, both parties will resume close communication and work hard to implement specific cooperation plans. In addition, in June 2022, the Group signed an investment memorandum of understanding with Longchuan Zhongxin Xisheng Import and Export Co., Ltd., with the hope of extending its investment to the upstream of rare earth, paving the way for future development, and enhancing its competitive edge. The Group is actively conducting due diligence for the investment.

主席報告書

CHAIRMAN'S STATEMENT

隨著城規發展，位於太湖畔的宜興市在這幾年努力打造成綠色城市。對於環境污染上存在隱患的廠房將逐步取締。作為長遠規劃，本集團正考慮為在宜興的稀土分離生產線物色其他地區作廠房搬遷計劃，希望能更靠近稀土礦源，提升生產技術以提高效益。本集團感激宜興地區政府多年來的支持和配合，促使本集團在有利的環境下成長及發展。

此外，於二零二三年初，中國內房板塊呈現轉勢，加上內地放寬防疫政策，利好因素將傳導至水泥、鋼鐵及玻璃產業，並帶動耐火材料的需求，預計耐火材料分部將迎來增長。本集團將秉持著產品質素的優勢，支持客戶把握復甦機遇，保持良好的業務發展。

長遠來說，本集團繼續留意向上游發展的機會，把握後疫情時代快速反彈的機遇，時刻為產業垂直整合發展作準備。

In recent years, Yixing city, located on the banks of Taihu Lake, has been actively pursuing its goal of becoming a green city through urban planning and development. Factories with potential environmental pollution risks will be gradually phased out. The Group is considering a long-term plan to relocate its rare earth separating production line from Yixing to other areas closer to the rare earth mines, with aims to improve production technology for increased efficiency. We appreciate the support and cooperation of the Yixing Government over the years, which has enabled us to grow and develop in a favourable environment.

As we enter 2023, the Chinese domestic real estate sector is also showing signs of a turnaround. Coupled with the mainland's relaxation of pandemic prevention policies, this is expected to have a positive impact on the cement, steel, and glass industries, creating a surge in demand for refractory materials. As such, we expect the Group's refractory materials segment to experience growth. The Group will continue to maintain its advantage in product quality, while providing strong support to its customers in seizing opportunities for recovery and ensuring steady business development.

Over the long run, the Group will continue to pay attention to opportunities for upstream development, seize opportunities to swiftly rebound amid a post-pandemic market environment, and remain prepared for vertical integration development of the industry.

流動資金及財務資源

本集團繼續採取審慎的財務安排，並保留充裕的流動資金以應付未來投資及業務發展之用。於二零二二年十二月三十一日，本集團持有現金及銀行存款共約1,452,386,000港元，其中以人民幣計值並存放於國內的部分約1,451,402,000港元。所有現金及銀行存款比二零二一年末約1,819,833,000港元減少了約367,447,000港元，但仍有足夠資金應付日後發展需要。由於國內疫情嚴重影響經濟，客戶付款速度明顯放緩，影響了本集團的應收賬款賬齡滯延。是以本集團於年末時增加了約15,288,000港元的應收賬款及其他應收款減值虧損撥備。縱使本集團認為有關的壞賬風險有限，但仍會密切留意情況發展及時催收。於二零二二年十二月三十一日，本集團的流動資產淨值約為2,017,629,000港元，比二零二一年末減少了約557,586,000港元。總負債對總資產的比率維持於約6%。

年內，本集團並無向任何銀行或財務機構借款。於二零二二年十二月三十一日，本集團繼續在國內一家銀行維持了人民幣150,000,000元（折合約167,917,000港元）的融資額度，並以帳面值合共約38,502,000港元的若干租賃土地和樓宇作抵押。該融資額度尚未被使用。此外，於年末時，本集團並無其他資產被抵押，亦未持有任何金融衍生工具產品。本集團並無重大的息率風險。匯率方面，本集團大部分的資產、負債及交易均以人民幣結算，另有部分以美元及港元列值。年內，人民幣匯率有所下跌，但並未對本集團的財務業績造成重大波動或影響。本集團將繼續關注匯率變化，盡量降低財務風險。

LIQUIDITY AND FINANCIAL RESOURCES

The Group continues to adopt prudent financial measures and retains sufficient liquidity for future investments and business development. As at 31 December 2022, the Group held cash and bank deposits totalling approximately HK\$1,452,386,000. Among of which there was approximately HK\$1,451,402,000 denominated in Renminbi and placed in the PRC. Cash and bank deposits in total decreased by approximately HK\$367,447,000 from approximately HK\$1,819,833,000 at the end of 2021, but there are still sufficient funds to meet future development needs. Due to the severe impact of the pandemic on the economy, customers payment processes have slowed down significantly, which has affected the delay in the Group's aged trade receivables. As such, the Group increased the provision of impairment loss on trade and other receivables by about HK\$15,288,000 at the end of the year. Although the Group believes that the risk of bad debts is limited, it will still pay close attention to the development of the situation and collect debts in a timely manner. As at 31 December 2022, the Group's net current assets amounted to approximately HK\$2,017,629,000, a decrease of approximately HK\$557,586,000 from the end of 2021. Total liabilities to total assets ratio remained at approximately 6%.

During the year, the Group did not borrow from banks or financial institutions. As at 31 December 2022, the Group has maintained a financing facility of RMB150,000,000 (equivalent to approximately HK\$167,917,000) with a domestic bank by pledging certain leasehold lands and buildings with a total carrying value of approximately HK\$38,502,000. The facility has not been utilised yet. In addition, at the end of the year, the Group had no charge on other assets nor holding any financial derivative products. The Group has no significant exposure to interest rate risk. For foreign exchange risk, most of the Group's assets, liabilities and transactions are denominated in Renminbi with the rest in US dollars and Hong Kong dollars. During the year, the Renminbi depreciated slightly which did not cause material fluctuation or impact on the Group's financial results. The Group will continue to monitor changes in exchange rates and strive to minimise financial risks.

主席報告書

CHAIRMAN'S STATEMENT

僱員及薪酬

本集團一直根據業務發展需要調整人力資源架構。於二零二二年十二月三十一日，本集團僱用的各級員工合共約360人，與去年末相若。年內，本集團的僱員成本包括董事酬金合計約為36,380,000港元，比二零二一年略有減少。本集團繼續為員工提供在職培訓及進修機會，以維持其專業水準。同時，本集團著手吸引人才，增強競爭力。

授出購股權

為吸引人才以增強競爭力，本公司董事會於二零二二年十一月三十日根據於二零一四年六月六日採納之購股權計劃，向本公司若干名合資格參與者授出購股權。承授人包括本集團五名現有僱員及五名擬聘僱員，以認購合共100,000,000股本公司股本中每股面值0.1港元之股份。承授人可於二零二三年十一月三十日至二零二四年六月五日（包括首尾兩天）以每股股份0.51港元行使購股權以認購本公司股份。惟承授人行使購股權前需達到一定條件，其中包括一名現有僱員獲得本公司董事會薪酬委員會評核一定績效目標，及五名擬聘僱員獲接納為本集團僱員，否則有關購股權將告失效。

末期股息

董事會建議不派發截至二零二二年十二月三十一日止年度之末期股息（二零二一年：無）。

STAFF AND REMUNERATION

The Group continued to adjust its manpower structure in line with business development needs. As at 31 December 2022, the Group employed a total of approximately 360 staff members, which is similar to the number at the end of 2021. The Group's staff costs for the year, including directors' emoluments, totalled approximately HK\$36,380,000, which is slightly lower than that of 2021. The Group continues to provide on-the-job training and further education opportunities for its staff in order to maintain professional competence. At the same time, the Group is actively attracting talent to enhance its competitiveness.

Grant of Share Options

To attract talent and enhance competitiveness, the Board of Directors of the Company granted share options to several eligible participants on 30 November 2022, in accordance with the share option scheme adopted on 6 June 2014. The grantees include five existing members of staff and five proposed members of staff within the Group, who are entitled to subscribe for a total of 100,000,000 shares of the Company with a par value of HK\$0.1 per share. The grantees may exercise the share options to subscribe for the Company's shares from 30 November 2023 to 5 June 2024 (both days inclusive), at a price of HK\$0.51 per share. However, certain conditions must be met before the grantees can exercise the share options, including one existing staff member achieving certain performance targets evaluated by the Company's Remuneration Committee, and the five proposed staff members being accepted as staff of the Group. Otherwise, the share options will lapse.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2022 (2021: Nil).

主席報告書 CHAIRMAN'S STATEMENT

總結

展望將來，本集團將握緊後疫情時代經濟快速反彈帶來的機遇，以及緊隨國家政策發展之路徑，伴隨著更多有利稀土行業發展的政策出台，繼續採納合適措施以應對市場變化，調整經營策略，與時俱進。本集團堅持為客戶提供優質的產品和服務，完善產品的多元發展，向高技術領域邁進。

最後，本人謹向董事會成員、管理團隊、業務夥伴及全體員工所做出的貢獻致以衷心謝意！並承諾將努力不懈提升企業價值。

錢元英

主席

香港，二零二三年三月三十一日

CONCLUSION

Looking ahead, the Group will seize the opportunities brought by the rapid economic rebound amid the post-pandemic era, as well as follow the path of national policy development, which is supported by the issuance of more favourable policies for the rare earth industry's development. The Group will continue to adopt appropriate measures to respond to market changes, adjust its business strategy, and keep pace with the times. The Group will adhere to its promise to provide customers with high-quality products and services, perfect its product diversification, and move towards high-tech fields.

Finally, I would like to express my sincere gratitude to the members of the Board of Directors, the management team, business partners, and all employees for their contributions! I promise to work tirelessly to enhance the value of the company.

Qian Yuanying

Chairman

Hong Kong, 31 March 2023

董事及高級管理人員簡介

DIRECTORS AND SENIOR MANAGEMENT PROFILE

執行董事

錢元英女士，64歲，為本集團創辦人及主席。錢女士負責制訂本集團整體業務發展政策。錢女士獲江蘇省人事廳評定具高級經濟師資格，另外亦獲得中國職業經理人資格。錢女士在稀土及耐火材料行業方面擁有逾三十年經驗。於創辦本集團之前，錢女士曾任職學校教師。錢女士亦為本公司主要股東YY Holdings Limited之董事。錢女士為本集團執行董事蔣泉龍先生之妻子及本集團總經理蔣鑫先生之母。

蔣泉龍先生，70歲，為本集團創辦人，曾擔任本集團主席直至二零一七年九月。蔣先生負責本集團對內及對外的協調及業務關係發展。蔣先生獲江蘇省人事廳評定具高級經濟師資格。蔣先生自二零一一年一月起獲委任為江蘇省稀土行業協會理事會名譽會長。蔣先生在稀土及耐火材料行業擁有逾三十年經驗。於創辦本集團之前，蔣先生曾擔任某耐火材料製造廠的經理及某玻璃陶瓷製造公司的營業經理。蔣先生亦為本公司主要股東YY Holdings Limited之董事。蔣先生為本集團主席錢元英女士之丈夫及本集團總經理蔣鑫先生之父。蔣先生自二零零六年八月十六日至二零一七年九月十五日為泛亞環保集團有限公司（其股份於香港聯合交易所有限公司上市）之主席兼執行董事。

蔣大偉先生，39歲，於二零零六年加入本集團，自二零一七年起獲委任為本集團行政總裁兼執行董事。蔣先生負責本集團整體管理及本集團業務的市場推廣。此前，蔣先生為宜興新威利成稀土有限公司銷售部主管。蔣先生擁有揚州大學工商管理學士學位。

EXECUTIVE DIRECTORS

Ms. Qian Yuanying, aged 64, is a founding member and the chairman of the Group. Ms. Qian is responsible for the formulation of the Group's overall business development policies. Ms. Qian is recognised as a senior economist by Jiangsu Provincial Personnel Department, and she is also qualified as a Chinese Career Manager. Ms. Qian has over 30 years of experience in the rare earth and refractory materials industries. Prior to the founding of the Group, Ms. Qian was a high school teacher. Ms. Qian is also a director of YY Holdings Limited, a substantial shareholder of the Company. Ms. Qian is the wife of Mr. Jiang Quanlong, an executive director of the Group, and the mother of Mr. Jiang Xin, the general manager of the Group.

Mr. Jiang Quanlong, aged 70, is a founding member and was previously the chairman of the Group until September 2017. Mr. Jiang is responsible for internal and external coordination and development of business relationship of the Group. Mr. Jiang is recognised as a senior economist by Jiangsu Provincial Personnel Department. Mr. Jiang has been appointed as the honorary chairman of the council of Jiangsu Rare Earth Industry Association since January 2021. Mr. Jiang has over 30 years of experience in the rare earth and refractory materials industries. Prior to the founding of the Group, Mr. Jiang had been a factory manager of a refractory materials production plant and a sales manager of a glass and ceramics manufacturing company. Mr. Jiang is also a director of YY Holdings Limited, a substantial shareholder of the Company. Mr. Jiang is the husband of Ms. Qian Yuanying, the chairman of the Group, and the father of Mr. Jiang Xin, the general manager of the Group. From 16 August 2006 to 15 September 2017, Mr. Jiang served as the chairman and an executive director of Pan Asia Environmental Protection Group Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited.

Mr. Jiang Dawei, aged 39, joined the Group in 2006 and has been appointed as the chief executive officer and an executive director of the Group since 2017. Mr. Jiang is responsible for the overall management of the Group and the marketing aspect of the Group's business. Previously, Mr. Jiang was the head of the sales department of Yixing Xinwei Leeshing Rare Earth Company Limited. Mr. Jiang obtained a Bachelor degree of Business Administration from Yangzhou University.

董事及高級管理人員簡介

DIRECTORS AND SENIOR MANAGEMENT PROFILE

蔣才南先生，64歲，於一九八六年加入本集團，自二零零五年起獲委任為本集團執行董事。蔣先生兼為宜興新威利成耐火材料有限公司總經理，負責耐火材料業務之營運及銷售。蔣先生在耐火材料行業擁有逾三十年的經驗。

Mr. Jiang Cainan, aged 64, joined the Group in 1986 and has been appointed as an executive director of the Group since 2005. Mr. Jiang is also the general manager of Yixing Xinwei Leeshing Refractory Materials Company Limited and is responsible for the operation and sales of refractory materials business. Mr. Jiang has over 30 years of experience in the refractory materials industry.

獨立非執行董事

黃春華先生，59歲，於二零零一年加入本集團，為本集團獨立非執行董事。黃先生擁有英國斯特克萊大學工商管理學碩士和市場學博士學位及武漢大學經濟學學士學位。黃先生為柏嘉金融公司之創辦人及主席以及美國英諾醫療集團創辦人。英諾醫療集團為全球二零一九新型冠狀病毒快速檢測試劑及檢測解決方案之領先公司。黃先生於二零零二年十一月至二零零七年十月期間及二零一零年六月至二零二零年十二月期間為正道集團有限公司(其股份於香港聯合交易所有限公司上市)之副主席兼執行董事。黃先生於二零零七年五月至二零零九年四月期間為法國巴黎證券(亞洲)有限公司證券董事和中國資本市場策略師。此前，黃先生曾在多所證券公司任職分析師。黃先生在金融市場上擁有豐富的知識和經驗。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Huang Chunhua, aged 59, joined the Group in 2001 as an independent non-executive director of the Group. Mr. Huang obtained a Ph. D degree in Marketing and a Master degree in Business Administration from University of Strathclyde and a Bachelor degree in Economics from Wuhan University. Mr. Huang is the founder and chairman of Pasaca Capital Inc. and also founder of Innova Medical Group Inc., the global leader of COVID-19 rapid test kits and testing solutions. Mr. Huang was the deputy chairman and an executive director of Hybrid Kinetic Group Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited, for the periods from November 2002 to October 2007 and from June 2010 to December 2020. Mr. Huang was a director and China equity market strategist of BNP Paribas Securities (Asia) Limited for the period from May 2007 to April 2009. Prior to this, Mr. Huang was an analyst of various securities companies. Mr. Huang has extensive knowledge and experience in financial market.

金重先生，71歲，於二零零四年加入本集團，為本集團獨立非執行董事。金先生在武漢鋼鐵學院材料工程學系耐火專業專科畢業，曾在貴陽市耐火材料廠總廠出任副總工程師。

Mr. Jin Zhong, aged 71, joined the Group in 2004 as an independent non-executive director of the Group. Mr. Jin graduated from the Faculty of Material Engineering of Wuhan Steel College, specialising in refractory studies. Mr. Jin was previously the deputy chief engineer of the head factory of Guiyang City Refractory Materials Factory.

董事及高級管理人員簡介

DIRECTORS AND SENIOR MANAGEMENT PROFILE

竇學宏先生，84歲，於二零二一年四月加入本集團，為本集團獨立非執行董事。竇先生於稀土行業相關研究、機構及出版工作方面擁有逾三十年經驗。竇先生畢業於蘭州大學化學系。其後在包頭稀土研究院任職，主要從事稀土及鈮之濕法冶金研究工作。於一九八三年至一九九六年，竇先生曾任職包頭稀土研究院稀土信息中心主任，曾兼任中國稀土學會會刊《稀土》雜誌編輯部主任、國家發展和改革委員會稀土辦公室機關刊物《稀土信息》雜誌主編及全國稀土信息網辦公室主任。自一九九六年起，竇先生曾參與《我國稀土產業發展戰略研究》、《中國稀土學會年鑑》及《中國稀土發展紀實》等多個項目，並擔任該等項目之主編。於二零一七年，竇先生參與出版《中國稀土強國之夢》並擔任主編。

高級管理層

蔣鑫先生，38歲，於二零零八年加入本集團，自二零一二年起獲委任為本集團總經理。蔣先生負責本集團業務的市場推廣工作。蔣先生擁有英國曼徹斯特大學主修國際商業、金融及經濟之文學士學位及威爾斯大學主修商業研究之文學士學位。蔣先生亦為泛亞環保集團有限公司（其股份於香港聯合交易所有限公司上市）之主席兼執行董事。蔣先生為本集團執行董事蔣泉龍先生及本集團主席錢元英女士之子。

Mr. Dou Xuehong, aged 84, joined the Group in April 2021 as an independent non-executive director of the Group. Mr. Dou has over 30 years of experience in research, institutional and publication works in relation to rare earth industry. Mr. Dou graduated from the school of chemistry of Lanzhou University. After that, he worked at Baotou Research Institute of Rare Earths where he was mainly engaged in the research of hydrometallurgy of rare earth and niobium. From 1983 to 1996, Mr. Dou served as the manager of Rare Earth Information Centre of Baotou Research Institute of Rare Earths, and also served as the editorial director of the society journal "Chinese Rare Earths" issued by The Chinese Society of Rare Earths, the editor-in-chief of the journal "Rare Earth Information" published by the Rare Earth Office of the National Development and Reform Commission, and the manager of the China Rare Earth Information Net Office. Since 1996, Mr. Dou had participated and acted as editor-in-chief of various projects such as "Research on China's Rare Earth Industry Development Strategy", "Yearbook of The Chinese Society of Rare Earths", and "China Rare Earth Development Documentary". In 2017, Mr. Dou participated in the publication of "China Rare Earth – Dream of Powerful Country" and served as editor-in-chief.

SENIOR MANAGEMENT

Mr. Jiang Xin, aged 38, joined the Group in 2008 and has been appointed as the general manager of the Group since 2012. Mr. Jiang is responsible for the marketing aspect of the Group's business. Mr. Jiang obtained a Bachelor degree in Arts majoring in International Business, Finance and Economics from University of Manchester and a Bachelor degree in Arts majoring in Business Studies from University of Wales. Mr. Jiang has also been the chairman and an executive director of Pan Asia Environmental Protection Group Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited. Mr. Jiang is a son of Mr. Jiang Quanlong, an executive director of the Group and Ms. Qian Yuanying, the chairman of the Group.

董事及高級管理人員簡介

DIRECTORS AND SENIOR MANAGEMENT PROFILE

蔣洪君先生，64歲，於二零零零年加入本集團，現任本集團副總經理，負責本集團日常行政事務。蔣先生在行政管理方面擁有逾三十年的經驗。

Mr. Jiang Hongjun, aged 64, joined the Group in 2000. Mr. Jiang is the deputy general manager of the Group and is responsible for the daily administrative affairs of the Group. Mr. Jiang has over 30 years of experience in administrative management.

黃望先生，54歲，於二零一九年十一月加入本集團，現任宜興新威利成稀土有限公司的總經理兼總工程師。黃先生畢業於東北大學有色金屬冶金系。加入本集團前，黃先生曾在多家稀土公司出任總工程師或技術主管，在稀土及有色金屬行業的生產工藝上擁有豐富的經驗。

Mr. Huang Wang, aged 54, joined the Group in November 2019. Mr. Huang is the general manager and the chief engineer of Yixing Xinwei Leeshing Rare Earth Company Limited. Mr. Huang graduated from the Faculty of Nonferrous Metallurgy of Northeastern University. Prior to joining the Group, Mr. Huang was the chief engineer or technical director of various rare earth companies. Mr. Huang has extensive experience in production process of rare earth and non-ferrous metal industry.

華占剛先生，46歲，於二零零一年加入本集團，現任無錫新威高溫陶瓷有限公司總經理，負責高溫陶瓷業務之營運。華先生畢業於景德鎮陶瓷大學材料工程系。華先生在耐火材料生產管理上擁有豐富的經驗。

Mr. Hua Zhangang, aged 46, joined the Group in 2001. Mr. Hua is the general manager of Wuxi Xinwei High Temperature Ceramics Company Limited and is responsible for the operation of the high temperature ceramics business. Mr. Hua graduated from the Faculty of Materials Science and Engineering of Jingdezhen Ceramic Institute. Mr. Hua has extensive experience in production management of refractory materials.

羅納德先生，52歲，於一九九九年加入本集團，為本集團財務總監及公司秘書。羅先生畢業於香港並取得工商管理學士學位，為香港會計師公會及英國特許公認會計師公會會員。加入本集團前，羅先生曾在香港一家國際會計師行任職核數經理。羅先生自二零二零年八月起獲委任為濠江機電控股有限公司（其股份於香港聯合交易所有限公司上市）之獨立非執行董事。

Mr. Law Lap Tak, aged 52, joined the Group in 1999 as the financial controller and company secretary of the Group. Mr. Law graduated in Hong Kong and obtained a Bachelor degree in Business Administration. Mr. Law is a member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants. Prior to joining the Group, Mr. Law was an audit manager in an international accounting firm in Hong Kong. Mr. Law has been appointed as an independent non-executive director of Macau E&M Holding Limited, the shares of which are listed on The Stock Exchange of Hong Kong Limited, since August 2020.

企業管治報告

CORPORATE GOVERNANCE REPORT

企業文化

本集團自八十年代在中國成立以來，憑藉國內豐富的資源和技術的優勢，一直專注於稀土和耐火材料業務的發展。直至一九九九年本公司成功在香港聯合交易所有限公司（「聯交所」）上市後，本集團更能有效地接觸海外不同的投資者和客戶等，透過多方面的合作和交流，希望能在業界內有長足的發展。

本集團同時亦致力建立良好的企業價值，互相關懷，維護道德，提倡廉正，追求卓越，使企業價值能夠體現於本集團員工日常業務上，並支持本集團的業務發展。本集團同時亦著重與員工的溝通，主動建立有效，持續及定期的溝通渠道，與員工分享企業價值及其體現，分享不合宜做法，不當行為及紀律的事例，並就企業文化進行公開交換意見。

另一方面，本集團亦十分重視企業內的人才。對於優秀的員工，本集團會積極提供優厚的福利，並於企業推行表現評核制度，建立適當的激勵措施，以獎勵及表揚表現優秀的人才，並協助其於本集團內發展事業。

CORPORATE CULTURE

Since its establishment in China in the 1980s, the Group has been focusing on the development of rare earth and refractory business with the advantages of rich domestic resources and technology. Until the Company was successfully listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in 1999, the Group could more effectively contact different overseas investors and customers. Through multi-faceted cooperation and exchanges, it hoped to make great progress in the industries.

At the same time, the Group is also committed to establishing good corporate value, caring for each other, maintaining morality, advocating integrity, and pursuing excellence, so that the corporate value can be reflected in the daily business of the Group's employees and support the business development of the Group. At the same time, the Group also focuses on communication with employees, actively establishes effective, continuous and regular communication channels, shares the corporate value and its embodiment with employees, shares examples of inappropriate practices, misconduct and discipline, and conducts an open exchange of views on the corporate culture.

On the other hand, the Group also attaches great importance to talents in the enterprise. For excellent employees, the Group will actively provide generous benefits, and implement a performance evaluation system in the enterprise, establish appropriate incentives to reward and praise outstanding talents, and assist them to develop their careers within the Group.

企業管治報告

CORPORATE GOVERNANCE REPORT

企業管治常規

本公司致力於維持良好之企業管治常規及程序。

董事會認為，良好的企業管治標準對於為本公司保障股東利益、提高企業價值、制定業務戰略和政策以及提高透明度和問責制提供框架至關重要。

本公司已根據聯交所證券上市規則（「上市規則」）附錄十四所載的企業管治守則（「企業管治守則」）內的所有政策及原則而採納其本身之企業管治常規守則。董事會認為，本公司於截至二零二二年十二月三十一日止年度內一直遵守企業管治守則。

董事進行證券交易

本公司已採納不低於上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）的守則（「公司守則」）。在本公司提出特定查詢後，所有董事均已確認於截至二零二二年十二月三十一日止年度內一直遵守標準守則及公司守則。

董事會

本公司由有效的董事會所領導，承擔起領導和控制的責任，並集體負責通過指導和監督本公司事務以促進本公司的成功。董事客觀地為本公司的最大利益作決定。

CORPORATE GOVERNANCE PRACTICES

The Company is committed to attending good corporate governance practices and procedures.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate business strategies and policies, and enhance transparency and accountability.

The Company has adopted its own code of corporate governance based on the principles and code provisions of the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange. In the opinion of the Board, the Company has complied with the CG Code throughout the year ended 31 December 2022.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct (the “Company’s Code”) regarding securities transactions by directors on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules. Having made specific enquiry, the Company confirms that all directors have complied with the required standards as stated in the Model Code and the Company’s Code throughout the year ended 31 December 2022.

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsible for promoting the Company’s success by directing and supervising the Company’s affairs. Directors take decisions objectively in the best interests of the Company.

企業管治報告

CORPORATE GOVERNANCE REPORT

董事會擁有適合本公司業務要求的技能、經驗和觀點多樣性的平衡。董事會包括執行董事和獨立非執行董事的均衡組成，因此董事會中有強大的獨立元素，可以有效地作出獨立判斷。

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. The Board includes a balanced composition of executive directors and independent non-executive directors so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

董事會目前有七名成員，包括四名執行董事及三名獨立非執行董事。

The Board currently comprises seven members, consisting four executive directors and three independent non-executive directors.

董事會之組成及本年度董事會會議及股東大會之出席情況如下：

The composition of the Board and the attendance of the Board meetings and general meeting during the year are as follows:

董事 Director	會議出席／舉行數目 No. of meeting(s) attended/held	
	董事會 Board meeting	股東大會 General meeting
執行董事 Executive director		
錢元英女士 (主席) Ms. Qian Yuanying (Chairman)	10/10	1/1
蔣泉龍先生 Mr. Jiang Quanlong	9/10	1/1
蔣大偉先生 (行政總裁) Mr. Jiang Dawei (Chief Executive Officer)	10/10	1/1
蔣才南先生 Mr. Jiang Cainan	10/10	1/1
獨立非執行董事 Independent non-executive director		
黃春華先生 Mr. Huang Chunhua	10/10	0/1
金重先生 Mr. Jin Zhong	10/10	0/1
竇學宏先生 Mr. Duo Xuehong	10/10	0/1

企業管治報告

CORPORATE GOVERNANCE REPORT

除董事會會議外，主席於年內亦與獨立非執行董事在執行董事並不在場的情況下舉行了一次會議。

董事履歷資料載於本年報第16頁至19頁的「董事及高級管理人員簡介」內。

蔣泉龍先生乃錢元英女士之丈夫。除已披露者外，董事會成員間並無家庭或其他重要關係。

董事培訓及持續專業發展

董事應參與持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。

每名新獲委任董事於其任期開始時將會接受綜合、正規及特定之開導，以確保其適當地瞭解本公司之業務及營運，並完全知悉根據上市規則及有關法規所規定其須履行之責任及義務。

倘有需要，本公司亦有適當的安排向董事提供持續指導及專業發展。

於本年度，本公司每位董事包括錢元英女士、蔣泉龍先生、蔣大偉先生、蔣才南先生、黃春華先生、金重先生及竇學宏先生均閱讀了相關新聞、期刊、雜誌和相關出版物，已按照企業管治守則之守則條文第C.1.4條參與持續專業發展，發展並更新其知識及技能。本公司不時為董事提供有關法規修訂的資料，及於聯交所網頁摘取若干素材，讓董事自行研習以加深其對上市規則的理解。

Apart from Board meetings, the Chairman also held a meeting with the independent non-executive directors without the presence of executive directors during the year.

The biographical information of the directors are set out in "Directors and Senior Management Profile" on pages 16 to 19 of this annual report.

Mr. Jiang Quanlong is the husband of Ms. Qian Yuanying. Save as disclosed, there are no family or other material relationship among the Board members.

TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant.

Each newly appointed director will receive comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

There are also arrangements in place for providing continuing briefing and professional development to directors whenever necessary.

During the year, each of the directors of the Company, including Ms. Qian Yuanying, Mr. Jiang Quanlong, Mr. Jiang Dawei, Mr. Jiang Cainan, Mr. Huang Chunhua, Mr. Jin Zhong, and Mr. Duo Xuehong, has participated in continuous professional development to develop and refresh his/her knowledge and skills in accordance with code provision C.1.4 of the CG Code by reading relevant news, journals, magazines and relevant publications. The Company has provided information relating to the regulatory update and extracted certain materials from the website of the Stock Exchange to directors for their own study to strengthen their understanding on the Listing Rules from time to time.

企業管治報告

CORPORATE GOVERNANCE REPORT

會議常規及操守

董事會定期會議之通告至少於會議舉行日期前十四天送呈全體董事。就其他董事會及委員會會議而言，一般亦發出合理之通告。董事會定期會議應每年至少舉行四次，包括大多數董事親自或通過電子通信方式積極參與。

董事會文件連同所有合適、完整及可靠之資料均至少於每次董事會會議或委員會會議舉行日期前三天送呈全體董事，以讓董事評估本公司最近之發展及財務狀況，並讓彼等能夠作出知情決定。董事會及各位董事亦於必要時，分別及獨立接觸高級管理人員。

高級管理層通常會出席董事會定期會議，並在必要時參加其他董事會及委員會會議，就業務發展、財務和會計事項、法定和監管合規性、企業管治以及本公司其他主要方面提供建議。

公司秘書負責編撰及保管所有董事會會議及委員會會議記錄。記錄草稿一般於每次會議後，在合理的時間內給董事傳閱以發表意見，而最終版本將公開供董事查閱。

根據現時之董事會常規，任何涉及主要股東或董事利益衝突之重大交易將由董事會於正式召開之董事會會議上考慮及處理。

PRACTICES AND CONDUCT OF MEETINGS

Notices of regular Board meetings are served to all directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given. Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of directors.

Board papers together with all appropriate, complete and reliable information are sent to all directors at least 3 days before each Board meeting or committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management whenever necessary.

The senior management normally will attend regular Board meetings and where necessary, other Board and committee meetings, to advise on business development, financial and accounting matters, statutory and regulatory compliance, corporate governance and other major aspects of the Company.

The Company Secretary is responsible for taking and keeping minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection.

According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting.

主席及行政總裁

企業管治守則之守則條文第C.2.1條規定，主席及行政總裁的角色應分開，不應由同一人履行。主席及行政總裁之間的責任分工應明確確定，並以書面形式闡述。

本公司董事會主席及行政總裁有不同的角色及職責。主席負責制定本集團之整體業務發展政策，而行政總裁則負責本集團業務之整體管理。董事會認為，本公司董事會主席及行政總裁的職責分別是明確和獨特的，因此沒有書面條款的必要。

獨立非執行董事

董事會於截至二零二二年十二月三十一日止年度內一直符合上市規則中有關委任至少三名獨立非執行董事，其中一名擁有適當專業資格或會計相關的財務管理經驗之規定。

本公司之獨立非執行董事乃才能超卓之專業人士，具有財務管理及本集團相關業務方面之專業技術及經驗。彼等就策略發展向本公司提供建議，並使董事會能夠於遵守財務及其他強制性申報規定方面維持高水準，並提供足夠之檢查及平衡，以保護股東及本公司之整體利益。每位獨立非執行董事均已接受本公司的委任書，為期兩年。每位獨立非執行董事已根據上市規則第3.13條進行年度獨立性確認。董事會認為，所有獨立非執行董事均符合上市規則第3.13條所載之獨立性指引，且屬獨立董事。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision C.2.1 of the CG Code stipulates that 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.

The Chairman of the Board and the Chief Executive Officer of the Company have different roles and responsibilities. The Chairman is responsible for the formulation of the Group's overall business development policies while the Chief Executive Officer is responsible for the overall management of the Group's business. The Board considers that the responsibilities of the Chairman of the Board and the Chief Executive Officer of the Company respectively are clear and distinctive and hence written terms thereof are not necessary.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board has met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with one of whom possessing appropriate professional qualifications or accounting related financial management expertise throughout the year ended 31 December 2022.

The independent non-executive directors of the Company are highly skilled professionals with expertise and experience in the field of financial management and businesses related to the Group. They advise the Company on strategy development and enable the Board to maintain high standards of compliance of financial and other mandatory reporting requirements and provide adequate checks and balances to safeguard the interests of shareholders and the Company as a whole. Each of the independent non-executive directors has accepted a letter of appointment with the Company for a term of two years. Each of the independent non-executive directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board considers that all independent non-executive directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent.

企業管治報告

CORPORATE GOVERNANCE REPORT

獨立性機制

董事會成員應始終包括至少三位獨立非執行董事，代表至少董事會三分之一的成員，以使董事會能有效地作出獨立判斷。

於每次董事會會議，最少一位獨立非執行董事必須出席，以確保董事會可獲得獨立的觀點和意見。

如於董事會會議上有任何董事在討論的議題上有利益，該董事在會議上須申報其利益並棄權投票，而獨立非執行董事的意見須被注意。

所有獨立非執行董事在必要時均可尋求高級管理層提供協助或獨立的專業建議，費用由本公司承擔。

每位獨立非執行董事的獨立性須每年檢討並符合上市規則第3.13條所載之獨立性指引。

年內獨立性機制的實施及有效性已經過檢討，結果令人滿意。

INDEPENDENCE MECHANISM

The Board shall at all times include at least three independent non-executive directors that represent at least one-third of the Board, such that the Board can exercise independent judgement effectively.

For each Board meeting, there should be at least one independent non-executive director attended to ensure that independent views and input are available to the Board.

Should there be any director has interest in matters to be discussed in Board meeting, such director should declare his/her interests and be abstain from voting in meeting and any view from independent non-executive directors should be noted.

All independent non-executive directors may seek assistance from senior management or independent professional advice at the Company's expenses whenever necessary.

Independence of each independent non-executive director should be reviewed annually and met the guidelines set out in Rule 3.13 of the Listing Rules.

Implementation and effectiveness of the independence mechanism during the year was reviewed and the results was satisfactory.

董事會及管理層職責、問責及貢獻

本公司由董事會規管，集體負責指導及監察本公司之事務，並監督本集團之業務、決策及表現。董事會保留與政策事項、戰略和預算、內部控制和風險管理、重大交易、財務匯報、董事任命和本公司其他重要運營事項有關的所有主要事項，供其決定。董事會委派管理層執行其決策及日常運作。

董事會直接及通過其委員會間接地領導和指導管理層，制定戰略並監督其實施，監測本集團的運營和財務業績，並確保健全的內部控制和風險管理系統到位。

所有董事均可全面並及時獲得本公司所有資料以及要求公司秘書及高級管理層提供服務及意見。在合理要求下，所有董事能夠在適當情況下尋求獨立的專業建議以履行其對本公司的職責，費用由本公司承擔。

對於因企業活動而對董事和高級管理層採取的任何法律行動，本公司已經安排了董事和高級管理層適當的責任保險。保險範圍將每年檢討一次。

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Company is governed by the Board which is collectively responsible for directing and supervising the Company's affairs and oversight of the Group's businesses, strategic decision and performance. The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions, financial reporting, appointment of directors and other significant operational matters of the Company. Execution of the Board's decisions and daily operations are delegated to the management.

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

All directors have full and timely access to all information of the Company as well as the services and advice from the Company Secretary and senior management. Upon reasonable request, all directors may seek independent professional advice in appropriate circumstances at the Company's expenses for discharging their duties to the Company.

The Company has arranged appropriate insurance coverage on directors' and senior managements' liabilities in respect of any legal actions taken against them arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

企業管治報告

CORPORATE GOVERNANCE REPORT

企業管治功能

董事會負責執行企業管治守則的第A.2.1條守則條文所載之功能。

於截至二零二二年十二月三十一日止年度，董事會已審閱本公司企業管治的政策及實施、董事及高級管理人員的培訓及持續專業發展、本公司就合法及合規要求、標準守則及企業管治守則的遵守而制定的政策及實施，及在本企業管治報告中披露。

董事會多元化政策

董事會已採納了董事會成員多元化政策以載列董事會達至多元化的途徑。董事會認為董事會成員多元化能透過考慮不同方面，包括但不限於性別、年齡、文化及教育背景、專業資格、技術知識及行業及區域經驗而達至。本公司目標於維持一個適當平衡與本公司業務發展相關的多元化觀點的董事會。

提名委員會及董事會認為現時之董事會組成足夠多元化，董事會並未定立任何可計量目標。

提名委員會將於適當情況下檢討董事會多元化政策，以確保其有效性，並將討論任何需對其作出的修訂，並向董事會提出修訂建議，供董事會考慮及通過。

CORPORATE GOVERNANCE FUNCTIONS

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

During the year ended 31 December 2022, the Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance with the Model Code, and the compliance with the CG Code and disclosure in this Corporate Governance Report.

BOARD DIVERSITY POLICY

The Board has adopted a Board Diversity Policy setting out the approach to achieve diversity on the Board. The Board has considered that diversity of the Board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualification, skills, knowledge and industry and regional experience. The Company aims to maintain an appropriate balance of diversity perspectives of the Board that are relevant to the Company's business growth.

The Nomination Committee and the Board considered that the current composition of the Board is sufficiently diverse and the Board has not set any measurable objectives.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness and will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

企業管治報告

CORPORATE GOVERNANCE REPORT

性別多元化

本公司重視本集團各層級的性別多元化。於二零二二年十二月三十一日，本集團勞動力(包括董事會)的性別比例如下：

GENDER DIVERSITY

The Company values gender diversity across all levels of the Group. The gender ratio in the workforce of the Group, including the Board, as at 31 December 2022 is as follows:

	女性 Female	男性 Male
董事會 The Board	14%	86%
整體勞動力 Overall workforce	30%	70%

提名政策

董事會已採納了提名政策以載列相關甄選標準及提名程序以甄選或就甄選提名出任董事的人士提供推薦建議。甄選標準包括投入足夠時間及精神處理本公司事務的能力、誠信信譽、於相關行業的成就及經驗、可投入的時間及相關利益、於所有方面的多元化及有效履行董事會的職責。

NOMINATION POLICY

The Board has adopted a Nomination Policy setting out the relevant selection criteria and nomination procedures in order to select or make recommendations on the selection of individuals nominated for directorships. The selection criteria includes ability to devote sufficient time and attention to the affairs of the Company, reputation for integrity, accomplishment and experience in the relevant industries, commitment in respect of available time and relevant interest, diversity in all its respects and effectiveness in carrying out the responsibilities of the Board.

於甄選董事時，提名委員會的秘書將召開提名委員會會議，並於會議前邀請董事會成員提名候選人(如有)以供提名委員會考慮。提名委員會亦可提名並非由董事會成員提名的候選人。

To nominate a director, the secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members.

企業管治報告

CORPORATE GOVERNANCE REPORT

就填補臨時空缺而言，提名委員會將提供推薦建議以供董事會考慮及審批。就於股東大會上提名候選人選舉而言，提名委員會將向董事會作出提名以供其考慮及提供推薦建議。

為提供獲董事會提名於股東大會上選舉的候選人的資料及邀請股東提名，將向股東寄發一份通函。通函將載列股東作出提名的提交期限。提名候選人的姓名、簡歷（包括資格及相關經驗）、獨立性、建議薪酬及根據適用法例、規則及規例所規定的任何其他資料將載於致股東的通函內。

於刊發通函之前，獲提名人士不得認為彼等已獲董事會提呈於股東大會上進行選舉。

候選人可於股東大會之前任何時間通過向本公司的公司秘書提交書面通知撤回其候選人資格。

對推薦候選人於股東大會上參選的所有事宜，董事會擁有最終決定權。

提名委員會將於適當情況下檢討提名政策，以確保其有效性。

For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

In order to provide information of the candidates nominated by the Board to stand for election at a general meeting, and to invite nominations from the shareholders of the Company, a circular will be sent to the shareholders. The circular will set out the lodgment period for the shareholders to make the nominations. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates will be included in the circular to the shareholders.

Until the publication of the circular, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.

A candidate is allowed to withdraw his or her candidature at any time before the general meeting by serving a notice in writing to the Company Secretary of the Company.

The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

The Nomination Committee will review the Nomination Policy, as appropriate, to ensure its effectiveness.

股息政策

董事會已採納了股息政策以載列本公司目標股息支付比率的方法，由董事會全權決定，惟須符合下列條件：

1. 本公司憲章文件的規定；
2. 開曼群島公司法的償付能力規定；
3. 本公司擁有足夠的保留溢利和股份溢價支付股息；
4. 本公司若干財務安排及本公司不時受其約束的其他協議所存在的任何財務契約及其他限制；
5. 本公司及其附屬公司的盈利、財務狀況、經營業績、擴張計劃、營運資金需求及預期現金需求；
6. 附屬公司向本公司支付的現金股息；和
7. 董事會可能視為適當的其他因素。

董事會委員會

董事會已設立三個委員會，即審核委員會、薪酬委員會及提名委員會以處理本公司的特定事宜。本公司所有委員會均設立了明確的書面職權範圍。董事會委員會之職權範圍已在本公司及聯交所網頁上刊載，及按要求提供予股東。

每一董事會委員會獲得了足夠資源以履行其職責，並在合理要求下，能夠在適當情況下尋求獨立的專業建議，費用由本集團承擔。

DIVIDEND POLICY

The Board has adopted a Dividend Policy setting out the approach to target dividend payout ratio of the Company, which is determined by the Board at its sole and absolute discretion, subject to:

1. the requirements of the Company's constitutional documents;
2. the solvency requirements of the Companies Act of the Cayman Islands;
3. there being sufficient amount of retained profits and share premium of the Company for the dividend payment;
4. any financial covenants and other restrictions that exist with respect to certain of the Company's financing arrangements and other agreements by which the Company is bound from time to time;
5. the earnings, financial position, results of operation, expansion plans, working capital requirements, and anticipated cash needs of the Company and its subsidiaries;
6. the payment by subsidiaries of cash dividends to the Company; and
7. other factors which the Board may deem appropriate.

BOARD COMMITTEES

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

Each Board committee has also been provided with sufficient resources to discharge its duties and, upon reasonable request, is able to seek independent profession advice in appropriate circumstances at the Group's expense.

企業管治報告

CORPORATE GOVERNANCE REPORT

審核委員會

審核委員會之主要職能為協助董事會審閱與本公司核數師之關係、財務資料、財務申報系統、風險管理系統及內部監控程序。

審核委員會之組成及本年度委員會會議之出席情況如下：

成員

Member

會議出席／舉行數目

No. of meetings attended/held

獨立非執行董事

Independent non-executive director

黃春華先生 (主席)	2/2
Mr. Huang Chunhua (Chairman)	2/2
金重先生	2/2
Mr. Jin Zhong	2/2
竇學宏先生	2/2
Mr. Dou Xuehong	2/2

在會議上，審核委員會審閱了本公司所採納之會計政策及慣例及討論審核、風險管理系統、內部監控及財務申報事宜，包括於執行董事缺席及核數師協助下，審閱了本公司之中期及全年業績。

薪酬委員會

薪酬委員會之主要職能為向董事會提供本公司董事及高級管理層薪酬政策及結構方面之意見，並檢討彼等之具體薪酬組合。

AUDIT COMMITTEE

The principal functions of the Audit Committee are to assist the Board in reviewing the relationship with the auditor of the Company, the financial information, the financial reporting system, risk management system and internal control procedures.

The composition of the Audit Committee and the attendance of the Committee meetings during the year are as follows:

Members

Member

Independent non-executive director

Mr. Huang Chunhua (Chairman)	2/2
Mr. Jin Zhong	2/2
Mr. Dou Xuehong	2/2

During the meetings, the Audit Committee reviewed the accounting principles and practices adopted by the Company and discussed auditing, risk management system, internal control and financial reporting matters, including the review of the interim and annual results of the Company with the assistance of the auditor without the presence of the executive directors.

REMUNERATION COMMITTEE

The principal functions of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for the remuneration of directors and senior management, and to review their specific remuneration packages.

企業管治報告

CORPORATE GOVERNANCE REPORT

薪酬委員會之組成及本年度委員會會議之出席情況如下：

The composition of the Remuneration Committee and the attendance of the Committee meetings during the year are as follows:

成員 Member	會議出席／舉行數目 No. of meetings attended/held
獨立非執行董事	
Independent non-executive director	
竇學宏先生 (主席) Mr. Dou Xuehong (Chairman)	1/1
黃春華先生 Mr. Huang Chunhua	1/1
金重先生 Mr. Jin Zhong	1/1

在會議上，薪酬委員會檢討了本公司薪酬政策及結構，及對董事之薪酬組合向董事會作出了建議。

During the meetings, the Remuneration Committee reviewed the remuneration policy and structure of the Company, and recommended the remuneration packages of the directors to the Board.

提名委員會

提名委員會之主要職能為參考已採納的董事會成員多元化政策審閱董事會之組成、討論及協定以達至董事會成員多元化之可衡量目標、參考已採納的提名政策向董事會就董事委任及繼任提供意見、及評核獨立非執行董事之獨立性。

NOMINATION COMMITTEE

The principal functions of the Nomination Committee are to review the Board composition with reference to the Board Diversity Policy adopted, discuss and agree on measurable objectives for achieving diversity on the Board, make recommendations to the Board on the appointment and succession planning of directors with reference to the Nomination Policy adopted, and assess the independence of independent non-executive directors.

企業管治報告

CORPORATE GOVERNANCE REPORT

提名委員會之組成及本年度委員會會議之出席情況如下：

The composition of the Nomination Committee and the attendance of the Committee meetings during the year are as follows:

成員 Member	會議出席／舉行數目 No. of meetings attended/held
獨立非執行董事	
Independent non-executive director	
金重先生 (主席)	1/1
Mr. Jin Zhong (Chairman)	1/1
黃春華先生	1/1
Mr. Huang Chunhua	1/1
竇學宏先生	1/1
Mr. Dou Xuehong	1/1

在會議上，提名委員會參考董事會成員多元化政策和提名政策檢討了本公司之董事會組成及獨立非執行董事的獨立性。提名委員會認為本公司之董事會組成適當。

During the meetings, the Nomination Committee with reference to the Board Diversity Policy and Nomination Policy reviewed the Board composition and the independence of the independent non-executive directors of the Company. The Nomination Committee considered that the Board composition is appropriate.

董事之重選

本公司的組織章程細則訂明每位董事須至少每三年輪值退任一次，及董事獲委任以填補空缺者須留任至本公司下屆股東大會。

RE-ELECTION OF DIRECTORS

The Company's Articles of Association specify that every director should be subject to retirement by rotation at least once every three years and the director appointed to fill a casual vacancy shall hold office only until the next following general meeting of the Company.

根據細則第108(A)及(B)條，錢元英女士、黃春華先生及竇學宏先生將於即將舉行的股東週年大會上輪值退任，惟合資格並願意膺選連任。

In accordance with Articles 108(A) and (B), Ms. Qian Yuanying, Mr. Huang Chunhua and Mr. Dou Xuehong will retire by rotation from the Board at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

董事對財務報表所負之責任

董事確認彼等負責編制截至二零二二年十二月三十一日止年度財務報表的責任。編製真實及公平地反映本集團財務狀況及各個財政期間之業績及現金流量之財務報表乃董事之責任。於編製財務報表時，董事須確保採納適當會計政策。財務報表乃按持續經營基準編製。

本公司核數師就其於財務報表之報告責任載於本年報第57頁至69頁的獨立核數師報告內。

公司秘書

本公司財務總監兼公司秘書羅納德先生（「羅先生」）負責就企業管治事項向董事會提供建議，並確保董事會的政策和程序以及適用的法律、規則和條例得到遵守。羅先生是香港會計師公會及英國特許公認會計師公會會員。

羅先生確認，於截至二零二二年十二月三十一日止年度，其接受了不少於十五小時的相關專業培訓。

董事及高級管理層之薪酬

本公司建立了透明的程序來製定本集團董事及高級管理層之薪酬政策。

DIRECTORS' RESPONSIBILITIES ON THE FINANCIAL STATEMENTS

The Directors acknowledged their responsibility for preparing the financial statements of the Company for the year ended 31 December 2022. It is the directors' responsibility to prepare financial statements which give a true and fair view of the state of affairs of the Group, the results and cash flows for each financial period. In preparing the financial statements, the directors have to ensure that appropriate accounting policies are adopted. The financial statements are prepared on a going concern basis.

The statement of the auditor of the Company about the reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 57 to 69 of this annual report.

COMPANY SECRETARY

Mr. Law Lap Tak ("Mr. Law"), the financial controller and company secretary of the Company, is responsible for advising the Board on corporate governance matters and ensuring that the Board's policies and procedures, as well as the applicable laws, rules and regulations are followed. Mr. Law is a member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants.

Mr. Law has confirmed that he received no less than 15 hours of relevant professional training during the year ended 31 December 2022.

DIRECTORS AND SENIOR MANGEMENT'S REMUNERATION

The Company has established a transparent procedure for formulating policies on remuneration of directors and senior management of the Group.

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截至二零二二年十二月三十一日止年度已付或應付予高級管理層（不包括董事）的薪酬介乎於下列範圍：

The remuneration paid or payable to senior management, excluding the directors, for the year ended 31 December 2022, are within the following bands:

	人數 No. of individuals
零 – 1,000,000港元	4
Nil – HK\$1,000,000	4
1,000,001港元 – 2,000,000港元	1
HK\$1,000,001 – HK\$2,000,000	1

截至二零二二年十二月三十一日止年度已付或應付予董事及高級管理層之薪酬詳情載於綜合財務報表附註10及11。

Details of the remuneration paid or payable to directors and senior management for the year ended 31 December 2022 are set out in notes 10 and 11 to the consolidated financial statements.

核數師之酬金

於本年度，本公司就核數師提供之審核服務（包括中期審閱）支付之酬金為2,985,000港元。核數師並無提供任何其他非審核服務。

AUDITOR'S REMUNERATION

During the year, the remuneration in respect of audit services (including interim review) provided by the auditor of the Company was HK\$2,985,000. There was no other non-audit service provided by the auditor.

風險管理及內部監控

本集團已制定風險管理組織架構，由本集團董事會、審核委員會及高級管理層組成。

RISK MANAGEMENT AND INTERNAL CONTROL

The Group has established a risk management framework, which consists of the Board, the Audit Committee and senior management of the Group.

董事會釐定就達成本集團策略目標可接受的主要風險性質和程度，並確認其對維持合適及有效的風險管理及內部監控系統的全面責任。風險包括與業務、營運以及環境、社會及管治相關的重大風險。審核委員會協助董事會監察風險管理及內部監控系統的運作成效，而高級管理層則負責設計及執行有關程序。該等系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

The Board evaluates and determines the nature and extent of principal risks that are acceptable in achieving the Group's strategic objectives, and acknowledges its overall responsibility for maintaining appropriate and effective risk management and internal control systems. Risks include materials risks relating to business, operational as well as environmental, social and governance. The Audit Committee supports the Board in monitoring the operating effectiveness of the risk management and internal control systems, while the senior management is responsible for the design and implementation of relevant procedures. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

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本集團已採納各式風險管理程序和指引以明確授權由主要營運單位或部門包括銷售與收款、採購與付款、生產與倉儲、財務與司庫及固定資產管理執行。各主要營運單位或部門均負責日常風險管理活動，包括鑒定可能對本集團表現造成影響的重大風險、根據可能受到的影響及出現的可能性評核及評估已識別的風險、制定及執行措施、監控及應對計劃，以管理及減輕該等風險。獲指派之高級管理人員負責就環境及社會有關事宜與地方政府聯絡。於每月例會上，主要營運單位或部門主管討論業務並向本集團行政總裁匯報風險管理及內部監控事宜，行政總裁直接向董事會負責。

鑑於司庫環節的重要性，原則上以職責分工處理及所有支付和資金管理均需要適當授權。各附屬公司將持續檢視其現金狀況，以確保其有足夠可用資金以支持其營運與發展。董事會主席與所有執行董事共同監察本集團的整體財務資源及進行資金分配。

董事會已將持續監察風險管理及內部監控系統以及每年審閱該等系統成效的責任交託予審核委員會執行。為履行內部審核的職能，本集團於本年度內藉由獨立顧問的協助下進行了風險管理及內部監控系統的審閱，並將主要結果向審核委員會匯報。該審閱涵蓋有關財務、運作、合規及風險管理的主要及重要控制範疇。雖然仍有改進空間，惟於該審閱中並無確認重大內部監控失誤。

本集團維持內部指引以確保內幕消息根據適用法例及規則公平及適時地傳播予公眾人士。本集團投資關係、企業事務及財務管理職能的高級行政人員獲授權負責控制及監察內幕消息之披露。只限於相關高級管理層按情況需要方能獲取內幕消息，並提醒相關負責之員工及其他專業人士須將內幕消息保密直至已公開披露。

The Group has adopted various risk management procedures and guidelines with defined authority for implementation by major units or departments, including sales and collection, procurement and payment, production and warehousing, finance and treasury as well as fixed assets management. Each major unit or department is responsible for daily risk management activities, including identifying major risks that might impact on the Group's performance, accessing and evaluating the identified risks according to their likely impacts and the likelihood of occurrence, formulating and implementing measures, controls and response plans to manage and mitigate such risks. Designated senior management is responsible for liaison with local authorities for the matters relating to environment and social issues. During monthly regular meetings, heads of major operation units or departments discuss the business and report the risk management and internal control matters to the Group's Chief Executive Officer, who is directly responsible to the Board.

In view of the importance of the treasury cycle, principally it is processed by segregation of duties and proper approval is needed for all payment and fund management. Each subsidiary will review its own cash position continuously to ensure that there is adequate fund available to support its operation and development. The Chairman of the Board will work together with all executive directors to monitor the overall financial resources of the Group and carry out fund allocation.

The Board has entrusted the Audit Committee with the responsibility to oversee the risk management and internal control systems on an on-going basis and to review the effectiveness of the systems annually. To perform the internal audit function, the Group has conducted a review of the effectiveness of the risk management and internal control systems with the assistance of an independent advisor during the year and reported the key findings to the Audit Committee. The review covers major and material controls in areas of financial, operational and compliance and risk management functions. Although there is room for improvement, no significant deficiency of the internal control has been identified in the review.

The Group has maintained internal guidelines for ensuring that inside information is disseminated to the public in an equal and timely manner in accordance with the applicable laws and regulations. Senior executives of the investor relations, corporate affairs and financial control functions of the Group are delegated with responsibilities to control and monitor the disclosure of inside information. Access to inside information is confined to relevant senior management on "need-to-know" basis. Relevant personnel and other professional parties involved are reminded to preserve confidentiality of the inside information until it is publicly disclosed.

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股東權利

股東大會

本公司股東大會為股東及董事會提供溝通之機會。董事會主席以及審核委員會、薪酬委員會及提名委員會之主席(或於其缺席之情況下,其正式委任之代表)將於股東大會上回答提問,本公司核數師亦被邀請出席本公司的股東週年大會(「股東週年大會」)及協助董事回答股東有關審核處理及獨立核數師報告之編製與內容之疑問。股東大會上將就各重大事宜(包括選舉個別董事)提呈單獨決議案。

股東週年大會及股東特別大會(「股東特別大會」)通告連同相關文件最少於個別大會前二十一日及十四日發送予股東,當中載列各提呈決議案的詳情、投票程序及其他有關資料。股東於股東大會上之所有投票按上市規則須以點票表決方式進行。主席將於股東大會上就所提呈之各項決議案要求以點票方式表決,並將於股東大會上就決議案進行投票前對有關權利及程序作出闡釋。會上將委任獨立監票員進行點票,而表決結果將刊載於本公司及聯交所網頁上。

SHAREHOLDERS' RIGHTS

General meeting

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The Chairman of the Board as well as chairmen of the Audit Committee, Remuneration Committee and Nomination Committee, or in their absence, their duly appointed delegates are available to answer questions at the shareholders' meetings. Auditor of the Company is also invited to attend the Company's annual general meeting ("AGM") and is available to assist the directors in addressing queries from shareholders relating to the conduct of the audit and the preparation and contents of the Independent Auditor's Report. Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors.

Notice of AGM and extraordinary general meetings ("EGM") together with related papers are sent to the shareholders at least 21 days and 14 days before the respective meetings, setting out details of each proposed resolution, voting procedures and other relevant information. All votes of shareholders at the general meeting will be decided by poll pursuant to the Listing Rules. The Chairman will demand that all resolutions put to the vote at general meetings be taken by poll and will explain such rights and procedures during the general meetings before voting on the resolutions. An independent scrutineer will be appointed to count the votes and the poll results will be posted on the websites of the Company and the Stock Exchange after the general meetings.

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本公司股東可按本公司的組織章程細則第64條要求召開股東特別大會。股東召開股東特別大會之程序如下：

1. 於投遞請求書之日持有本公司具有權利於股東大會投票之繳足股本不少於十分之一的一名或以上股東（「請求人」）有權以書面通知要求本公司董事召開股東特別大會，以處理該請求書中指明之任何事項。
2. 有關請求書須以書面方式按以下全部地址向本公司董事或公司秘書作出：

本公司於香港之主要營業地點

地址： 香港九龍尖沙咀加連威老道100號港晶中心10樓1011室

電郵： info@creh.com.hk

聯絡人： 公司秘書

本公司總辦事處

地址： 中華人民共和國江蘇省宜興市丁蜀鎮

聯絡人： 公司秘書

本公司註冊辦事處

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

聯絡人： 公司秘書

股東須提供彼等的全名、聯絡詳情及身分，以便本公司回覆。股東資料可能根據法律規定而予以披露。

Shareholders of the Company can make a requisition to convene an EGM pursuant to Article 64 of the Company's Articles of Association. The procedures for the shareholders to convene an EGM are as follows:

1. One or more shareholders ("Requisitionist") holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings shall have the right, by written notice, to require an EGM to be called by the directors for the transaction of any business specified in such requisition.
2. Such requisition shall be made in writing to the directors or the Company Secretary of the Company at all of the following addresses:

Principal place of business of the Company in Hong Kong

Address: Unit 1011, 10/F., Harbour Crystal Centre, 100 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong

Email: info@creh.com.hk

Attention: Company Secretary

Head office of the Company

Address: Dingshu Town, Yixing City, Jiangsu Province, the People's Republic of China

Attention: Company Secretary

Registered office of the Company

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

Attention: Company Secretary

Shareholders must provide their full name, contact details and identification in order to given effect thereto. Shareholders' information may be disclosed as required by law.

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3. 股東特別大會須於有關請求書投遞後兩個月內舉行。
4. 倘董事未能於該投遞起計二十一日內召開該大會，一名或以上請求人本身可以相同方式召開，而請求人因董事未能行事而產生之一切合理開支須由本公司發還予請求人。

股東向本公司發表查詢之程序

對於董事會之事宜，股東可按以下方式與本公司聯絡：

地址： 香港九龍尖沙咀加連威老道100號港晶中心10樓1011室
 電郵： info@creh.com.hk
 電話： (852) 2869 6283
 傳真： (852) 2136 0030
 聯絡人： 公司秘書

對於股份登記相關事宜（如股份過戶及登記、更改姓名或地址、遺失股票或股息單），登記股東可聯絡：

本公司之香港股份過戶登記分處

香港中央證券登記有限公司

地址： 香港皇后大道東183號合和中心17樓

電話： (852) 2862 8555
 傳真： (852) 2865 0990

股東於股東大會上提呈建議書之程序

為了於本公司股東大會上提呈建議，股東應以書面通知將建議書（「建議書」）連同其詳細之聯絡資料遞交本公司於香港之主要營業地點，地址為香港九龍尖沙咀加連威老道100號港晶中心10樓1011室。

3. The EGM shall be held within two months after the deposit of such requisition.
4. If the directors fail to proceed to convene such meeting within 21 days of such deposit, the Requisitionist himself may do so in the same manner, and all reasonable expenses incurred by the Requisitionist as a result of the failure of the directors shall be reimbursed to the Requisitionist by the Company.

Procedures for shareholders to direct enquiries to the Company

For matters in relation to the Board, shareholders can contact the Company at the following:

Address: Unit 1011, 10/F., Harbour Crystal Centre, 100 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong
 Email: info@creh.com.hk
 Telephone: (852) 2869 6283
 Fax: (852) 2136 0030
 Attention: Company Secretary

For share registration related matters, such as share transfer and registration, change of name or address, loss of share certificates or dividend warrants, the registered shareholders can contact:

Hong Kong branch share registrar and transfer office

Computershare Hong Kong Investor Services Limited

Address: 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong

Telephone: (852) 2862 8555
 Fax: (852) 2865 0990

Procedures for shareholders to put forward proposals at shareholders' meetings

To put forward proposals at a general meeting of the Company, a shareholder should lodge a written notice of his/her proposal ("Proposal") with his/her detailed contact information at the Company's principal place of business in Hong Kong at Unit 1011, 10/F., Harbour Crystal Centre, 100 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong.

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該要求將交予本公司之香港股份過戶登記分處進行核證，建議書一經確定為妥當及適當，本公司董事會將被要求於股東大會之議程中載入建議書。

給予全體股東以考慮有關股東於股東大會上提出之建議書之通知期因應建議書之性質有以下差異：

1. 倘建議書須以本公司普通決議案批准，則至少十四日書面通知。
2. 倘建議書須以本公司特別決議案於本公司股東特別大會上或以本公司普通決議案於本公司股東週年大會上批准，則至少二十一日書面通知。

投資者關係

本公司繼續加強與其投資者之溝通及聯繫。獲指派之高級管理人員與機構投資者及分析師保持定期交談，以讓彼等瞭解本公司之最新發展情況。投資人之查詢以具資訊性及適時方式處理。

為促進有效溝通，本公司亦設有一個網頁，於 www.creh.com.hk，廣泛刊載本公司業務發展及營運之最新訊息、財務訊息及其他訊息。

股東通訊政策

本公司制定了股東通訊政策。該政策旨在制定條文，目的為確保股東及（在適當情況下）整體投資界可隨時取得適時、全面、相同及容易理解之本公司資料（包括其財務表現、策略目標及計劃、重大發展、企業管治及風險制度），使股東能夠在知情的情況下行使其權利，並使股東及投資界積極與本公司聯繫。董事會檢討了股東通訊政策的實施和有效性，結果令人滿意。

The request will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the request is proper and in order, the Board will be asked to include the Proposal in the agenda for the general meeting.

The notice period to be given to all the shareholders for consideration of the Proposal raised by the shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:

1. At least 14 days' notice in writing if the Proposal requires approval by way of an ordinary resolution of the Company.
2. At least 21 days' notice in writing if the Proposal requires approval by way of a special resolution of the Company in an EGM or an ordinary resolution of the Company in an AGM.

INVESTOR RELATIONS

The Company continues to enhance communications and relationships with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner.

To promote effective communication, the Company also maintains a website at www.creh.com.hk, where extensive information and updates on the Company's business developments and operations, financial information and other information are posted.

SHAREHOLDERS COMMUNICATION POLICY

The Company has in place a Shareholders Communication Policy. The policy aims to set out the provisions with the objective of ensuring that shareholders, and, in appropriate circumstances, the investment community at large, are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments, governance and risk profile), in order to enable shareholders to exercise their rights in an informed manner, and to allow shareholders and the investment community to engage actively with the Company. The Board reviewed the implementation and effectiveness of the Shareholders Communication Policy and the results were satisfactory.

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本公司建立了下列若干渠道與股東保持溝通：

1. 公司通訊

給予股東之公司通訊將以純文字及中、英文版發出以方便股東理解。

2. 公司網站

本公司網站(www.creh.com.hk)中設有「投資者關係」的投資者關係專欄。本公司網站之資料定期更新。本公司向聯交所發佈之資料亦稍後於本公司網站刊載。有關資料包括財務報表、業績公佈、通函及股東大會通告以及相關之說明文件等。

3. 股東大會

建議股東參與股東大會或(如彼等未能出席大會)委任代表代其出席大會並於會上投票。股東週年大會將會作出適當安排以鼓勵股東參與。本公司股東大會之程序將予定期監察及檢討，如有需要，將作出變動以確保盡量滿足股東之需要。董事會成員(尤其是董事委員會主席或其代表)、適當管理行政人員及外聘核數師將出席股東週年大會以回答股東提問。

章程文件

於本年度內，本公司修訂了其組織章程細則。修訂詳情已載於二零二二年四月二十八日致股東通函中。本公司組織章程細則的最新版本於本公司及聯交所網頁上可供查閱。

The Company has established certain channels for maintaining an on-going dialogue with its shareholders as follows:

1. Corporate communication

Corporate communication will be provided to shareholders in plain language and in both English and Chinese versions to facilitate shareholders' understanding.

2. Corporate website

A dedicated investor relations section titled "Investor Relations" is available on the Company website (www.creh.com.hk). Information on the Company's website is updated on a regular basis. Information released by the Company to the Stock Exchange is also posted on the Company's website immediately thereafter. Such information includes financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents, etc.

3. Shareholders' meetings

Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. Appropriate arrangements for the annual general meetings shall be in place to encourage shareholders' participation. The process of the Company's general meetings will be monitored and reviewed on a regular basis, and if necessary, changes will be made to ensure that shareholders' needs are best served. Board members, in particular, the chairmen of Board committees or their delegates, appropriate management executives and external auditors will attend annual general meetings to answer shareholders' questions.

CONSTITUTIONAL DOCUMENTS

During the year, the Company has amended its Articles of Association. Details of the amendments are set out in the circular dated 28 April 2022 to the shareholders. An up-to-date version of the Company's Articles of Association is available on the websites of the Company and the Stock Exchange.

董事會報告

DIRECTORS' REPORT

董事會同寅欣然呈報本集團截至二零二二年十二月三十一日止年度的年報及經審核綜合財務報表。

主要業務

本公司的主要業務為投資控股。本集團的主要業務為稀土產品及耐火產品之製造及銷售。

附屬公司的主要業務載於綜合財務報表附註19。

分部資料

本集團分部資料的詳情載於綜合財務報表附註15。

業績及分派

本集團於截至二零二二年十二月三十一日止年度的業績載於本年報第70頁的綜合損益表內。

就本年度未有宣佈及派發中期及末期股息。

其他分派詳情載於綜合財務報表附註27。

本公司可供分派之儲備

本公司可供派發之儲備包括股份溢價賬及保留溢利／累計虧損。於二零二二年十二月三十一日，本公司可供分派給股東的儲備為1,731,910,000港元。

財務概要

本集團於過去五個財政年度的業績概要載於本年報第180頁。

The directors have pleasure in presenting the annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group are manufacturing and sales of rare earth products and refractory products.

The principal activities of the subsidiaries are set out in note 19 to the consolidated financial statements.

SEGMENTAL INFORMATION

Details of segmental information of the Group are set out in note 15 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2022 are set out in the consolidated statement of profit or loss on page 70 of this annual report.

No interim and final dividend was declared and paid to the shareholders for the year.

Details of other appropriations are set out in note 27 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution comprise the share premium account and retained profits/accumulated losses. As at 31 December 2022, the reserves of the Company available for distribution to shareholders amounted to HK\$1,731,910,000.

FINANCIAL SUMMARY

A summary of the results of the Group for the past five financial years is set out on page 180 of this annual report.

董事會報告

DIRECTORS' REPORT

物業、廠房及設備

本集團於年內的物業、廠房及設備的變動詳情載於綜合財務報表附註17。

股本

本公司於年內的股本的變動詳情載於綜合財務報表附註27。

退休計劃

本集團的退休計劃詳情載於綜合財務報表附註12。

董事

年內及直至本報告刊行日期止本公司的董事為：

執行董事

錢元英女士(主席)
 蔣泉龍先生
 蔣大偉先生(行政總裁)
 蔣才南先生

獨立非執行董事

黃春華先生
 金重先生
 竇學宏先生

根據本公司的組織章程細則第108(A)及(B)條，錢元英女士、黃春華先生及竇學宏先生將於即將舉行的股東週年大會上輪值退任，惟合資格並願意膺選連任。

於二零二二年十二月三十一日，概無董事與本公司訂立不可由本公司於一年內終止而毋須支付法定賠償以外的賠償的服務合約。

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in note 27 to the consolidated financial statements.

RETIREMENT SCHEMES

Details of the retirement schemes of the Group are set out in note 12 to the consolidated financial statements.

DIRECTORS

The directors of the Company during the year and up to the date of this report are:

Executive directors

Ms. Qian Yuanying (*Chairman*)
 Mr. Jiang Quanlong
 Mr. Jiang Dawei (*Chief Executive Officer*)
 Mr. Jiang Cainan

Independent non-executive directors

Mr. Huang Chunhua
 Mr. Jin Zhong
 Mr. Dou Xuehong

In accordance with Articles 108(A) and (B) of the Company's Articles of Association, Ms. Qian Yuanying, Mr. Huang Chunhua and Mr. Dou Xuehong will retire by rotation from the Board at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

As at 31 December 2022, none of the directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

董事及主要行政人員的權益及淡倉

於二零二二年十二月三十一日，本公司依據證券及期貨條例（「證券及期貨條例」）第352條而存置之登記冊內所載，或依據上市公司董事進行證券交易的標準守則而通知本公司及聯交所的本公司董事及主要行政人員及其緊密關聯人士於本公司及其相聯公司之股份、相關股份及債券的權益及淡倉如下：

1. 於本公司股份權益

董事	權益性質／身份	股份數目	佔本公司已發行股本的百分比 % to the issued share capital of the Company
Director	Nature of interest/Capacity	Number of shares	
錢元英	信託之成立人	707,179,200 (附註1)	30.20%
Qian Yuanying	Founder of a trust	707,179,200 (Note 1)	30.20%
錢元英	受控公司之權益	21,000,000 (附註2)	0.90%
Qian Yuanying	Interest of controlled corporation	21,000,000 (Note 2)	0.90%
蔣泉龍	配偶之權益／受控公司之權益	728,179,200 (附註1及2)	31.10%
Jiang Quanlong	Interest of spouse/Interest of controlled corporation	728,179,200 (Notes 1 & 2)	31.10%
蔣大偉	實益擁有人	530,077 (附註3)	0.02%
Jiang Dawei	Beneficial owner	530,077 (Note 3)	0.02%

附註：

- 707,179,200股以好倉透過YY Holdings Limited持有，其全部已發行股本由YY Trust的受託人YYT (PTC) Limited所持有，而受益人為蔣泉龍先生的配偶錢元英女士及其子全資擁有的公司。按證券及期貨條例第XV部之定義錢元英女士為YY Trust的成立人。蔣泉龍先生及錢元英女士為YY Holdings Limited的董事。
- 21,000,000股以好倉透過Praise Fortune Limited持有，其39.93%的已發行股本由蔣泉龍先生的配偶錢元英女士持有。錢元英女士為Praise Fortune Limited的董事。
- 所有股份均以好倉持有。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS

As at 31 December 2022, the interests and short positions of the directors and chief executives of the Company and their respective close associates in the shares, underlying shares and debentures of the Company and its associated corporations as recorded in the register kept by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO") or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

1. Interests in shares of the Company

Notes:

- 707,179,200 shares are held in long position through YY Holdings Limited, the entire issued share capital of which is held by YYT (PTC) Limited, the trustee of YY Trust, the discretionary object of which is a company wholly owned by Ms. Qian Yuanying, the spouse of Mr. Jiang Quanlong, and her sons. Ms. Qian Yuanying is a founder of YY Trust within the meaning under Part XV of the SFO. Mr. Jiang Quanlong and Ms. Qian Yuanying are the directors of YY Holdings Limited.
- 21,000,000 shares are held in long position through Praise Fortune Limited, 39.93% of its issued share capital is held by Ms. Qian Yuanying, the spouse of Mr. Jiang Quanlong. Ms. Qian Yuanying is a director of Praise Fortune Limited.
- All the shares are held in long position.

董事會報告

DIRECTORS' REPORT

2. 於相聯公司股份、相關股份或股本權益

(a) 微科資源有限公司

董事	權益性質／身份	已發行股份類別及數目	佔該公司已發行股本中 該股份類別的百分比 % in the class of shares in the issued share capital of the company
Director	Nature of interest/Capacity	Number and class of issued shares	
錢元英	實益擁有人	無投票權遞延股份3,000,000股	30%
Qian Yuanying	Beneficial owner	3,000,000 non-voting deferred shares	30%
蔣泉龍	實益擁有人	無投票權遞延股份7,000,000股	70%
Jiang Quanlong	Beneficial owner	7,000,000 non-voting deferred shares	70%

(b) 宜興新威利成稀土有限公司

2. Interests in shares, underlying shares or equity interests in associated corporations

(a) Microtech Resources Limited

(b) Yixing Xinwei Leeshing Rare Earth Company Limited

董事	權益性質／身份	股本權益百分比
Director	Nature of interest/Capacity	% equity interest
蔣泉龍	受控公司之權益	5%
Jiang Quanlong	Interest of controlled corporation	5%

附註：

該等權益乃透過宜興新威集團有限公司持有。該中國企業由蔣泉龍先生擁有90%權益，餘下的10%權益由其配偶錢元英女士持有。蔣泉龍先生亦為該企業的法定代表人。

Note:

The equity interest is held by Yixing Xinwei Group Co., Ltd., a PRC domestic enterprise 90% owned by Mr. Jiang Quanlong, with the remaining 10% owned by his spouse Ms. Qian Yuanying. Mr. Jiang Quanlong is also the legal representative of the enterprise.

董事會報告

DIRECTORS' REPORT

(c) YY Holdings Limited

董事	權益性質/身份	已發行股份類別及數目	佔該公司已發行股本中 該股份類別的百分比 % in the class of shares in the issued share capital of the company
Director	Nature of interest/Capacity	Number and class of issued shares	
錢元英	信託之成立人	普通股份1股	100%
Qian Yuanying	Founder of a trust	1 ordinary share	100%
錢元英	信託之成立人	優先股份25,000股	100%
Qian Yuanying	Founder of a trust	25,000 preference shares	100%
蔣泉龍	受控公司之權益	普通股份1股	100%
Jiang Quanlong	Interest of controlled corporation	1 ordinary share	100%
蔣泉龍	受控公司之權益	優先股份25,000股	100%
Jiang Quanlong	Interest of controlled corporation	25,000 preference shares	100%

附註：

YY Holdings Limited的全部已發行股本由YY Trust的受託人YYT (PTC) Limited所持有，而其受益人為蔣泉龍先生的配偶錢元英女士及其子全資擁有的公司。按證券及期貨條例第XV部之定義錢元英女士為YY Trust的成立人。蔣泉龍先生及錢元英女士為YYT (PTC) Limited的董事。

Note:

The entire issued share capital of YY Holdings Limited is held by YYT (PTC) Limited, the trustee of YY Trust, the discretionary object of which is a company wholly owned by Ms. Qian Yuanying, the spouse of Mr. Jiang Quanlong, and her sons. Ms. Qian Yuanying is a founder of YY Trust within the meaning under Part XV of the SFO. Mr. Jiang Quanlong and Ms. Qian Yuanying are the directors of YYT (PTC) Limited.

除上述披露外，於二零二二年十二月三十一日，根據證券及期貨條例第352條所存置之登記冊內所載，概無本公司董事或主要行政人員或其緊密關聯人士於本公司及其相聯公司之股份、相關股份及債券持有或被視為持有任何權益或淡倉。

Save as disclosed above, as at 31 December 2022, none of the directors or chief executives of the Company and their respective close associates had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations as recorded in the register kept under Section 352 of the SFO.

主要股東權益及淡倉

據董事會所知，於二零二二年十二月三十一日，本公司依據證券及期貨條例第336條而存置之登記冊內所載，除本公司董事及主要行政人員外，其他股東持有本公司的股份及相關股份的權益及淡倉如下：

1. 全部已發行股本由YYT (PTC) Limited所持有的公司YY Holdings Limited以實益擁有人身份持有本公司股份707,179,200股，約佔本公司已發行股份的30.20%。
2. YYT (PTC) Limited被視為持有其所擁有全部已發行股本的YY Holdings Limited所持有的本公司股份707,179,200股的權益。

除上述披露外，於二零二二年十二月三十一日，根據證券及期貨條例第336條所存置之登記冊內所載，除本公司董事或主要行政人員外，概無其他人士通知本公司於本公司之股份或相關股份持有任何權益或淡倉。

購股權計劃

由於先前於二零零四年六月四日採納的舊購股權計劃於二零一四年六月三日失效，本公司股東於二零一四年六月六日召開的股東週年大會批准採納現時生效的新購股權計劃（「新計劃」），旨在以提供獎勵鼓勵參與者向本集團作出貢獻。根據已修訂的上市規則第十七章（已於二零二三年一月一日生效），本公司將依賴為新計劃提供的過渡安排，並僅根據已修訂的上市規則第十七章（在適用範圍內）授出購股權。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

So far as is known to the directors, as at 31 December 2022, the interests and short positions of shareholders, other than the directors or chief executives of the Company, in the shares and underlying shares of the Company as recorded in the register kept by the Company pursuant to Section 336 of the SFO were as follows:

1. YY Holdings Limited, the entire issued share capital of which is held by YYT (PTC) Limited, was holding 707,179,200 shares of the Company in long position, representing approximately 30.20% of the issued share capital of the Company as beneficial owner.
2. YYT (PTC) Limited was deemed to be interested in long position in 707,179,200 shares of the Company held by YY Holdings Limited, the entire issued share capital of which is held by YYT (PTC) Limited.

Save as disclosed above, no other party, other than the directors or chief executives of the Company, has notified the Company that he had any interest or short position in the shares or underlying shares of the Company as recorded in the register kept under Section 336 of the SFO as at 31 December 2022.

SHARE OPTION SCHEME

At the Company's annual general meeting held on 6 June 2014, the shareholders of the Company approved the adoption of a new share option scheme currently in force (the "New Scheme") after the old share option scheme, which was previously adopted on 4 June 2004, lapsed on 3 June 2014 for the purpose of providing incentives to participants for their contribution to the Group. Under the amended Chapter 17 of the Listing Rules, which has come into effect on 1 January 2023, the Company will rely on the transitional arrangements provided for the New Scheme and will only grant share options in compliance with the amended Chapter 17 of the Listing Rules (to the extent applicable).

新計劃之主要條款如下：

1. 新計劃旨在使本集團能向曾對本集團作出貢獻的合資格參與者授出購股權作為獎勵或回報。
2. 合資格參與者包括本公司或其任何附屬公司或本集團任何成員公司持有任何股權之任何實體之任何僱員（不論全職或兼職，包括任何執行董事）、任何非執行董事、任何股東、任何供應商及任何客戶，以及對本集團的發展及成長作出貢獻的任何人士。
3. 按新計劃，可予發行的總股份數目為167,264,305股，約佔於新計劃採納日期時本公司已發行股本的10%。
4. 各參與者按新計劃在任何十二個月期間內可獲發行之股份數目不可超過本公司已發行股本之1%。
5. 授出購股權之可行使日期可由董事會釐定，但不可於要約日期十年後結束。
6. 任何授出購股權之要約可由參與者於要約日起二十一日內以付出代價1港元接納。
7. 行使價可由董事會釐定，但不可少於下列各項之最高者：
 - (i) 要約當日本公司股份於聯交所每日報價表所示之收市價；

The major terms of the New Scheme are as follows:

1. The purpose of the New Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group.
2. The eligible participants include any employee (whether full-time or part-time, including any executive director), any non-executive director, any shareholder, any supplier and any customer of the Company or any of its subsidiaries or any entity in which any member of the Group holds any equity interest, and any party having contributed to the development and growth of the Group.
3. Under the New Scheme, the total number of shares available for issue is 167,264,305 which represents approximately 10% of the issued share capital of the Company as at the date of adoption of the New Scheme.
4. The maximum entitlement of each participant under the Scheme in any 12-month period should not exceed 1% of the issued share capital of the Company.
5. The exercisable period of an option granted may be determined by the directors and should not end later than 10 years after the date of offer.
6. Any offer for the grant of an option may be accepted by the participant within 21 days from the date of offer with a consideration of HK\$1 paid.
7. The exercise price may be determined by the directors provided that it should not be less than the highest of:
 - (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet on the date of offer;

董事會報告

DIRECTORS' REPORT

(ii) 緊接要約當日前五個營業日本公司股份於聯交所每日報價表所示之平均收市價；及

(iii) 本公司股份面價。

8. 新計劃自二零一四年六月六日，即新計劃被採納日起十年內有效。

於二零二二年十一月三十日，本集團五名擬聘僱員及五名現有僱員按新計劃被授出購股權。

年內按新計劃被授出購股權之變動細節如下：

(ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of offer; and

(iii) the nominal value of a share of the Company.

8. The New Scheme is valid and effective for a period of 10 years from 6 June 2014, the date on which the Scheme was adopted.

On 30 November 2022, five proposed employees and five existing employees of the Group were offered to grant options under the New Scheme.

Particulars of the movement of the options granted under the New Scheme during the year were as follows:

參與者	授出日期	行使期	每股行使價	購股權數目				
				於 二零二二年 一月一日 持有	於 年內 授出	於 年內 行使	於 年內 取消 或失效	於 二零二二年 十二月三十一日 持有
Participants	Date of grant	Exercise period	Exercise price per share	Held at 1 January 2022	Granted during the year	Exercised during the year	Cancelled or lapsed during the year	Held at 31 December 2022
員工								
Employees								
合計	二零二二年十一月三十日	二零二三年十一月三十日至 二零二四年六月五日	0.51港元	-	100,000,000	-	-	100,000,000
In aggregate	30 November 2022	30 November 2023 to 5 June 2024	HK\$0.51	-	100,000,000	-	-	100,000,000

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購股權被授出日本公司股份之收市價為0.51港元。

The closing price of the Company's shares on the date on which the options were granted was HK\$0.51.

被授出購股權之歸屬期為二零二二年十一月三十日至二零二三年十一月二十九日，而行使期為二零二三年十一月三十日至二零二四年六月五日。

The vesting period of the options granted is from 30 November 2022 to 29 November 2023, while the exercise period is from 30 November 2023 to 5 June 2024.

五名擬聘僱員及一名現有僱員之購股權之歸屬及行使附帶之條件及／或績效目標載列如下：

The vesting and exercise of the options granted to the five proposed employees and one existing employee carry conditions and/or performance target as follows:

五名擬聘僱員

五名擬聘僱員之購股權之歸屬及行使須待彼等獲接納為本集團僱員後方可作實。

The five proposed employees

The vesting and exercise of the options granted to the five proposed employees shall be conditional upon the acceptance of their employment offer as an employee of the Group.

一名現有僱員

一名現有僱員之購股權之歸屬及行使須待其達到由董事會薪酬委員會評核指定之績效目標後方可作實。

The one existing employee

The vesting and exercise of the options granted to the one existing employee shall be conditional upon the fulfillment of a performance target of achieving an appraisal target to be assessed by the Remuneration Committee of the Board.

年內，概無被授出之購股權被行使、取消或失效。

No options granted was exercised, cancelled or lapsed during the year.

除上述披露外，年內本公司或其附屬公司概無參與任何能夠使本公司之任何董事或主要行政人員或其配偶或未滿十八歲的子女藉購入本公司或任何其他法人團體之股份或債券而獲得利益之任何安排。

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangement, which enables any of the directors or chief executives of the Company or their spouses or children under the age of 18 to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

年內授出之購股權詳情載於綜合財務報表附註28。

Details of the share options granted during the year are set out in note 28 to the consolidated financial statements.

董事會報告

DIRECTORS' REPORT

董事於合約的權益

除於綜合財務報表附註29披露外，於年結日或年內任何時間各董事概無於本公司或其任何附屬公司訂立與其業務有關的任何重大合約中擁有直接或間接的實際權益。

董事於競爭業務的權益

年內，概無董事於與本集團之業務有直接或間接競爭或可能存在競爭之任何業務中擁有任何權益。

獲准許彌償條文

年內，本公司按開曼群島公司法的允許，備有以本公司董事為受益人的彌償條文。獲准許彌償條文載於本公司組織章程細則以及為董事及高級行政人員購買的責任保險內，有關保險就董事可能面對任何訴訟而產生相關的潛在責任和費用而作出賠償。

管理合約

年內，概無訂立或存在任何對本集團全部或重大部份之業務與管理及行政有關之合約。

購買、出售或贖回本公司的上市證券

本集團於年內概無購買、出售或贖回任何本公司之上市證券。

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 29 to the consolidated financial statements, no director had a beneficial interest, either direct or indirect, in any contract of significance to which the Company or any of its subsidiaries was a party at the year-end date or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, none of the directors had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

PERMITTED INDEMNITY PROVISIONS

During the year, the Company has in force indemnity provisions as permitted under the Companies Act of the Cayman Islands for the benefit of the directors of the Company. The permitted indemnity provisions are provided for in the Company's Articles of Association and in the directors and officers liability insurance maintained in respect of potential liability and costs associated with any proceedings that may brought against the directors.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year.

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

There has been no purchase, sale or redemption of any of the Company's listed securities by the Group during the year.

董事會報告 DIRECTORS' REPORT

主要客戶及供應商

本集團主要客戶及供應商於年內所佔的銷售及採購百分比如下：

銷售

– 最大客戶	21%
– 最大五名客戶合計	54%

採購

– 最大供應商	33%
– 最大五名供應商合計	68%

據各董事所知，各董事、彼等的緊密聯繫人及擁有本公司5%以上已發行股本的任何股東概無於本集團最大五名客戶或供應商的股本中擁有任何權益。

企業管治

本公司致力於發展及維持良好的企業管治常規以保障本公司股東利益，同時提高本公司價值、問責性及透明度。本公司採納的主要企業管治常規相關資料載於本年報第20頁至42頁的企業管治報告內。

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales and purchases for the year attributable to the Group's major customers and suppliers are as follows:

Sales

– the largest customer	21%
– five largest customers combined	54%

Purchases

– the largest supplier	33%
– five largest suppliers combined	68%

None of the directors, their respective close associates or any shareholders who own more than 5% of the Company's issued share capital to the knowledge of the directors, have any interest in the share capital of any of the five largest customers or suppliers of the Group.

CORPORATE GOVERNANCE

The Company is committed to developing and maintaining robust corporate governance practices to safeguard the interests of its shareholders and to enhance corporate value, accountability and transparency of the Company. Information on the principal corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 20 to 42 of this annual report.

業務回顧

本集團業務的回顧及展望已於本年報第6頁至15頁的主席報告書中討論。

1. 主要風險及不明朗因素

業務環境持續改變而本集團面對的主要風險及不明朗因素亦與此相依。全球尤其是中國的經濟不穩，導致稀土產品及耐火材料產品市場供應及需求波動。此外，中國政府的態度及所推行的政策亦對市場有重大影響而致使價格、供應及需求變化不定。再者，高新技術的發展亦引發稀土的新應用及引伸對稀土的新需求。本集團將密切監察市場趨勢並制定適合的策略以應對前方之轉變。

2. 關鍵財務表現指標

包括毛利率等的關鍵財務表現指標分析載於本年報第7頁至10頁的主席報告書中業務回顧一節內。

3. 環境政策及表現

本集團清楚理解環境保護對本集團持續及將來發展的重要性。本集團盡力在生產環境中減少污水、廢氣及噪音的排放。所有廢物的棄置及處理交由適當單位負責。本集團亦進行了一系列節能減排的改造以保持在同業中對環境保護的領導地位。年內，本集團位於宜興稀土生產廠區的土壤曾發現存在污染物超標隱患。對有關地塊進行全面修復維護工程後問題已經得到解決。除上述情況外，本集團並無知悉於保護課題上有重大失當行為。

BUSINESS REVIEW

A review and prospects of the business of the Group are discussed in the Chairman's Statement on pages 6 to 15 of this annual report.

1. Principal risks and uncertainties

Business environment changes continuously and the Group is facing significant risks and uncertainties associated to it. Instabilities in the global economy, especially in China, led to fluctuation in the market supply and demand of rare earth products and refractory materials products. In addition, the attitude and the policies implemented by the Chinese Government will have great impact on the markets and will fluctuate the prices, supply and demand. Moreover, the development of advanced technology will lead to new application of rare earth and it may also derive new demand for rare earth. The Group will closely monitor the market trends and derive appropriate strategies to cope with the changes ahead.

2. Key financial performance indicators

Analysis of key performance indicators including gross profit ratios are set out in the Business Review section of Chairman's Statement on pages 7 to 10 of this annual report.

3. Environmental policies and performance

The Group is fully aware of the importance of environment protection on the Group's sustainability and future development. The Group devotes to minimizing the release of water, air and sound pollutants to the production environments. All wastage are discharged and handled by appropriate entities. The Group had undergone a series of energy-savings and anti-pollution innovations to maintain its leadership status in environment protection among the peers in the industry. During the year, it was found that there were hidden dangers of excessive pollutants related to soil at the area of the Group's rare earth production plant in Yixing. After comprehensive maintenance work on the relevant area, the problem has been resolved. Apart from the above situation, the Group did not aware of any serious misconduct related to environmental protection issue.

4. 符合法律法規

本集團大部分的運作皆位於中國。故中國所有影響外商投資企業運作的法律法規，包括公司法、外資企業法及貨物進出口管理條例等均對本集團至為重要。此外，中國政府推行有關稀土行業的條例如「國務院關於促進稀土行業持續健康發展的若干意見」及「稀土行業准入條件」等亦對本集團運作構成重大影響。年內，本集團並無知悉有違反上述法律法規的情況。

5. 與主要持份者的關係

本集團認為員工乃其成功之本。本集團為員工提供了完善的薪酬體系及福利待遇。為保持本集團的專業水準，本集團亦定期為在職員工提供培訓及進修機會。所有員工皆與本集團簽訂僱傭合約以受有關勞工法例所保障。

本集團於世界各地累積龐大的客戶群。本集團一直專注與客戶保持良好關係。每年，管理層及銷售團隊均會拜訪客戶，聆聽其需要，從而調整銷售策略。

本集團向不同的供應商採購不同的材料。本集團並不依賴單一供應商以避免集中風險。本集團維持了健康的採購制度，與供應商保持良好合作關係。

4. Compliance with laws and regulations

Most of the Group's operations are situated in China and so all of those laws and regulations which can affect foreign invested enterprise's operation in China, including the Company Law, Law of Foreign-Capital Enterprises and Regulation on the Administration of the Import and Export of Goods are critical to the Group. In addition, those provisions implemented by the Chinese Government in relation to the rare earth industry such as "Several Opinions of the State Council on Promoting the Sustainable and Healthy Development of the Rare Earth Industry" and "Rare Earth Industry Access Conditions" also have significant influence on the Group's operation. The Group did not aware of any violations on the above laws and regulations during the year.

5. Relationship with key stakeholders

The Group shares a view that its staff is critical to its success. The Group has provided a comprehensive staff remuneration and welfare system. It also provided regular training and study opportunities to employees to assist them in maintaining professional competence. All staff had entered into appropriate employment contract with the Group so as to be protected by relevant labour laws.

The Group accumulated a large number of customer bases all over the world. The Group has always focused on maintaining good customer relationship. Every year, the management and sales team visit customers and listen to their needs so as to adjust its sales strategy.

The Group sources different materials with different suppliers. The Group would not depend on a single supplier to avoid the concentration risk. The Group maintains a healthy procurement system and maintains good cooperation relationship with suppliers.

董事會報告**DIRECTORS' REPORT****優先購股權**

根據本公司組織章程細則及開曼群島公司法，本公司並無對於發行新股設立任何優先購股權之規定。

足夠公眾持股量

根據本公司從公開途徑所得的資料及據董事會所知，本公司於年內一直維持上市規則所規定的足夠公眾持股量。

核數師

截至二零二二年十二月三十一日止年度的綜合財務表已經由天健德揚會計師事務所有限公司審核。

天健德揚會計師事務所有限公司將任滿告退，惟合資格並願意膺選連任。有關續聘天健德揚會計師事務所有限公司為本公司核數師的決議案將於本公司應屆股東週年大會上提呈。於過去三年並無變更核數師。

承董事會命

錢元英

主席

香港，二零二三年三月三十一日

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association and the Companies Act of the Cayman Islands in relation to the issue of new shares by the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained sufficient public float as required under the Listing Rules during the year.

AUDITOR

The consolidated financial statements for the year ended 31 December 2022 have been audited by Ascenda Cachet CPA Limited.

Ascenda Cachet CPA Limited will retire and, being eligible, offer itself for re-appointment. A resolution for the re-appointment of Ascenda Cachet CPA Limited will be proposed at the forthcoming annual general meeting of the Company. There has been no change of auditor in the past three years.

On behalf of the Board

Qian Yuanying

Chairman

Hong Kong, 31 March 2023

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT



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Wanchai Hong Kong
香港灣仔
告士打道173號
天廚商業大廈10樓

獨立核數師報告

致中國稀土控股有限公司各股東
(於開曼群島註冊成立之有限公司)

意見

吾等已審核第70頁至179頁所載中國稀土控股有限公司(「貴公司」)及其附屬公司(下文統稱「貴集團」)之綜合財務報表，包括於二零二二年十二月三十一日之綜合財務狀況表及截至該日止年度之綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

吾等認為，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」)真實公平地反映貴集團於二零二二年十二月三十一日之綜合財務狀況及截至該日止年度之綜合財務表現及綜合現金流量，並已遵照香港公司條例之披露規定妥為編製。

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHINA RARE EARTH HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Rare Earth Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 70 to 179 which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2022, 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.

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

意見基礎

吾等根據香港會計師公會頒佈之香港審計準則（「香港審計準則」）進行審核。在該等準則下，吾等之責任在吾等之報告內「核數師就審計綜合財務報表承擔之責任」一節進一步闡述。根據香港會計師公會之「專業會計師道德守則」（「守則」），吾等獨立於貴集團，並已遵循守則履行其他道德責任。吾等相信，吾等所獲得之審核憑證能充足及適當地為吾等之審核意見提供基礎。

關鍵審計事項

根據吾等之專業判斷，關鍵審計事項為吾等審核於本期間之綜合財務報表中最重要之事項。吾等在審核綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。就下文各事項而言，有關吾等審核時處理此等事項的描述僅適用於此等情況。

吾等已履行本報告「核數師就審計綜合財務報表承擔之責任」一節闡述之責任，包括與該等關鍵審計事項相關之責任。相應地，吾等之審計工作包括執行為應對評估綜合財務報表重大錯誤陳述風險而設計之審計程序。吾等執行審計程序之結果，包括應對下述事項所執行之程序，為綜合財務報表發表審計意見提供基礎。

BASIS FOR OPINION

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

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

貴集團存貨估值

Valuation of the Group's inventories

請參閱綜合財務報表附註2(h)及4(a)之董事披露有關會計政策、判斷及估計以及綜合財務報表附註20之進一步資料。

Refer to notes 2(h) and 4(a) to the consolidated financial statements for the directors' disclosures of the related accounting policies, judgements and estimates and note 20 to the consolidated financial statements for further information.

關鍵審計事項

Key Audit Matter

於二零二二年十二月三十一日，貴集團存貨的賬面值約為191,410,000港元。

The carrying amount of the Group's inventories was approximately HK\$191,410,000 as at 31 December 2022.

管理層使用日常業務過程中之估計售價減估計完成之成本及進行銷售所需之估計成本釐定存貨之可變現淨值，當中涉及重大估計及假設。

Management determined the net realisable value of the inventories by using the estimated selling prices in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale, which involved significant estimates and assumptions.

釐定撇減基準屬重大判斷，乃根據過往存貨虧損經驗及預期日後售價而作出。

The determination of the basis of write-down is a significant judgement based on historical experience of stock losses and expected future selling prices.

貴集團於二零二二年十二月三十一日進行存貨審查，並於截至二零二二年十二月三十一日止年度撥備約417,000港元，以將存貨撇減至彼等的可變現淨值。於截至二零二二年十二月三十一日止年度，本集團亦就過往年度之撇減存貨撥回撥備約45,000港元。

The Group carried out the inventory review as at 31 December 2022 and provided allowances of approximately HK\$417,000 to write down inventories to their net realisable value during the year ended 31 December 2022. The Group also reversed allowances of approximately HK\$45,000 for previous years' write-down of inventories during the year ended 31 December 2022.

於審計中處理關鍵審計事項之方法

How our audit addressed the Key Audit Matter

吾等就管理層對貴集團存貨之賬面值評估進行之程序包括(其中包括)以下各項：

Our procedures in relation to management's assessment of the carrying amount of the Group's inventories included, among others, the followings:

- 了解管理層估計存貨可變現淨值的方法，及評估管理層過往對撥備估計的準確性；
- Obtaining an understanding of how management estimated the net realisable value of inventories and evaluating the historical accuracy of the allowance estimation by management;
- 與管理層討論及評估管理層估計其後售價、完成之成本及進行銷售所需之成本所採用的基準；
- Discussing with management and assessing the basis of the management's estimation of subsequent selling prices, costs of completion and costs necessary to make the sale;
- 評估計算存貨可變現淨值所使用的方法及假設；及重新計算存貨撇減撥備及撥備撥回金額；
- Assessing the methodology and assumptions used in the calculation of the net realisable value of the inventories; and recalculating the allowance and reversal of allowances for write-down of inventories;

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

貴集團存貨估值 (續)

Valuation of the Group's inventories (Continued)

關鍵審計事項

Key Audit Matter

根據管理層所釐定存貨之可變現淨值，管理層認為於二零二二年十二月三十一日 貴集團之存貨估值屬恰當。

Based on the management's determination of the net realisable value of the inventories, the management concluded that the valuation of the Group's inventories was fairly stated as at 31 December 2022.

由於所涉及結餘的規模以及於評估存貨之可變現淨值時需要重大會計判斷及估計，我們選擇此為關鍵審計事項。

We selected this as a key audit matter due to the magnitude of the balance involved and the significant accounting judgements and estimates required in assessing the net realisable value of inventories.

於審計中處理關鍵審計事項之方法

How our audit addressed the Key Audit Matter

- 抽查存貨於報告期末後的售價、完成之成本及進行銷售所需之成本的準確性及相關性；及
- Checking, on a sample basis, the accuracy and relevance of the selling prices of the inventories subsequent to the end of the reporting period, the costs of completion and the costs necessary to make the sale; and
- 評估倘若於二零二二年十二月三十一日的估計可變現淨值低於成本的撥備是否足夠。
- Assessing the sufficiency of allowances where the estimated net realisable value was lower than the cost as at 31 December 2022.

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

貴集團應收賬款的減值

Impairment of the Group's trade receivables

請參閱綜合財務報表附註2(g)(i)、2(j)及4(a)之董事披露有關會計政策、判斷及估計以及綜合財務報表附註21及32(a)之進一步資料。

Refer to notes 2(g)(i), 2(j) and 4(a) to the consolidated financial statements for the directors' disclosures of the related accounting policies, judgements and estimates and notes 21 and 32(a) to the consolidated financial statements for further information.

關鍵審計事項

Key Audit Matter

於二零二二年十二月三十一日，貴集團應收賬款的賬面值約為476,680,000港元，扣除減值虧損約54,133,000港元。The carrying amount of the Group's trade receivables was approximately HK\$476,680,000 as at 31 December 2022, net of impairment losses of approximately HK\$54,133,000.

根據預期信貸虧損（「預期信貸虧損」）模式評估應收賬款之減值需要管理層應用重大判斷及估計。應收賬款之預期信貸虧損乃對擁有信貸減值之債務人單獨進行評估，並使用撥備矩陣進行集體評估。

The assessment of impairment of trade receivables under the expected credit loss ("ECL") model requires the application of significant judgement and estimates by management. The ECL on trade receivables are assessed individually for debtors which are credit impaired and collectively using a provision matrix.

管理層亦已考慮可能會影響客戶償還未償還結餘能力之前瞻性資料，以就減值評估估計預期信貸虧損。

Management also considered forward-looking information that may impact the customers' ability to repay the outstanding balances in order to estimate the expected credit losses for the impairment assessment.

於審計中處理關鍵審計事項之方法

How our audit addressed the Key Audit Matter

吾等就管理層對貴集團應收賬款之減值評估進行之程序包括（其中包括）以下各項：

Our procedures in relation to management's impairment assessment on the Group's trade receivables included, among others, the followings:

- 了解貴集團根據預期信貸虧損模式對信貸監控、收債及減值評估之關鍵控制之設計、實施及營運之成效；
- Understanding the design, implementation and operating effectiveness of the Group's key controls over credit control, debt collection and impairment assessment under the ECL model;
- 評估管理層於制定撥備矩陣時所使用資料之合理性及合適性，包括應收賬款之賬齡分析，方法為以抽樣方式將分析中個別項目與相關銷售發票進行比較；
- Evaluating the reasonableness and appropriateness of the information used by the management to develop the provision matrix including ageing analysis of trade receivables, on a sample basis, by comparing individual items in the analysis with the relevant sales invoices;

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INDEPENDENT AUDITOR'S REPORT

貴集團應收賬款的減值 (續)

Impairment of the Group's trade receivables (Continued)

關鍵審計事項

Key Audit Matter

截至二零二二年十二月三十一日止年度期間，貴集團確認應收賬款之減值虧損淨額約為15,244,000港元。

The Group recognised net impairment loss on trade receivables amounting to approximately HK\$15,244,000 during the year ended 31 December 2022.

根據管理層對預期信貸虧損模式下應收賬款之減值評估，管理層得出結論認為於二零二二年十二月三十一日之應收賬款減值虧損屬足夠。

Based on the management's assessment on the impairment of trade receivables under the ECL model, the management concluded that the impairment loss on trade receivables was adequate as at 31 December 2022.

由於應收賬款結餘的規模、較高度的估計不確定性及釐定應收賬款預期虧損撥備所涉及管理層判斷的主觀性，我們選擇此作為關鍵審計事項。

We selected this as a key audit matter due to the magnitude of the trade receivable balances, the higher degree of estimation uncertainty and the subjectivity in management's judgement involved in determining the expected loss allowance of the trade receivables.

於審計中處理關鍵審計事項之方法

How our audit addressed the Key Audit Matter

- 通過檢查管理層所使用之資料，包括審閱管理層對信貸減值應收賬款之識別、測試過往違約數據之準確性、評估過往虧損率是否根據現行經濟狀況及前瞻性資料進行合適調整及檢查本年度所記錄之實際減值虧損，以評估管理層於釐定二零二二年十二月三十一日應收賬款之減值虧損時所作出判斷及估計之合理性；
- Assessing the reasonableness of management's judgement and estimates in determining impairment loss on trade receivables as at 31 December 2022 by examining the information used by management, including review of management's identification of trade receivables with credit impaired, testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information, and examining the actual impairment losses recorded during the current year;
- 重新計算於二零二二年十二月三十一日之應收賬款減值虧損；及
- Recalculating the impairment losses on trade receivables as at 31 December 2022; and
- 於報告期末後，以抽樣方式檢查客戶就應收賬款之其後結算情況。
- Checking, on a sample basis, the subsequent settlement of trade receivables by the customer after the end of the reporting period.

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INDEPENDENT AUDITOR'S REPORT

本集團物業、廠房及設備以及使用權資產之減值

Impairment of the Group's property, plant and equipment and right-of-use assets

請參閱綜合財務報表附註2(e)、2(g)(ii)及4(a)之董事披露有關會計政策、判斷及估計以及綜合財務報表附註17及18之進一步資料。

Refer to notes 2(e), 2(g)(ii), and 4(a) to the consolidated financial statements for the directors' disclosures of the related accounting policies, judgements and estimates and notes 17 and 18 to the consolidated financial statements for further information.

關鍵審計事項

Key Audit Matter

貴集團於二零二二年十二月三十一日之物業、廠房及設備以及使用權資產分別約為164,273,000港元及88,741,000港元，當中 貴集團稀土業務及耐火業務的現金產生單位（「現金產生單位」）中該等資產於二零二二年十二月三十一日之賬面值分別約為101,753,000港元及149,843,000港元。

The Group's property, plant and equipment, and right-of-use assets were approximately HK\$164,273,000 and HK\$88,741,000, respectively, as at 31 December 2022, of which the carrying amounts of these assets in the Group's cash generating units ("CGUs") of rare earth business and refractory business were approximately HK\$101,753,000 and HK\$149,843,000, respectively, as at 31 December 2022.

於各報告期末，貴集團根據內部及外部資料審查 貴集團的現金產生單位以評估現金產生單位是否出現減值跡象。倘出現有關跡象，貴集團將估計現金產生單位的可收回款額。

At the end of each reporting period, the Group performed review on the Group's CGUs based on internal and external sources of information to assess whether there is any indication that the CGU may be impaired. If any such indication exists, the Group will estimate the recoverable amount of the CGU.

管理層結論為，於二零二二年十二月三十一日，耐火業務現金產生單位的該等資產並無出現減值跡象。

The management concluded that there was no impairment indication in respect of these assets for the CGU of refractory business as at 31 December 2022.

於審計中處理關鍵審計事項之方法

How our audit addressed the Key Audit Matter

吾等就 貴集團的稀土業務現金產生單位的該等資產的減值評估所進行之程序包括（其中包括）以下各項：

Our procedures in relation to impairment assessment of these assets on the Group's CGU of rare earth business included, among others, the followings:

- 了解 貴集團根據預期信貸虧損模式對信貸監控、收債及減值評估之關鍵控制之設計、實施及營運之成效；
- Assessing management's identification of CGUs based on the Group's accounting policies and our understanding of the Group's businesses;
- 審閱管理層對 貴集團現金產生單位減值跡象之評估；
- Reviewing management's assessment of impairment indication on the Group's CGUs;
- 評估估值師的資格、能力及客觀程度；
- Assessing the competence, capabilities and objectivity of the Valuer;
- 評估估值師所使用估值技巧的相關性及合理性；
- Assessing the relevance and reasonableness of valuation techniques used by the Valuer;

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

本集團物業、廠房及設備以及使用權資產之減值（續）

Impairment of the Group's property, plant and equipment and right-of-use assets (Continued)

關鍵審計事項

Key Audit Matter

就稀土業務現金產生單位而言，由於管理層於二零二二年十二月三十一日確認減值跡象，因此已進行減值評估。二零二二年十二月三十一日，稀土業務現金產生單位的可收回金額乃由 貴集團參考 貴集團委聘的獨立合資格專業估值師（「估值師」）按使用價值計算後釐定。

For the CGU of rare earth business, impairment assessment was conducted by the management as a result of impairment indication identified as at 31 December 2022. The recoverable amount of the CGU of rare earth business as at 31 December 2022 was determined by the Group with reference to the value in use calculations performed by an independent qualified professional valuer (the "Valuer") engaged by the Group.

就評估減值而言，該等資產分配至相關現金產生單位，而各現金產生單位之可收回金額由管理層使用管理層所批准之現金流量預測按使用價值計算釐定。於進行減值評估時，管理層會採用重大判斷以識別現金產生單位及釐定使用價值計算涉及之關鍵假設，包括現金流量預測中使用之收入增長率及最終增長率以及使未來現金流量回到其現值之貼現率。

For the purpose of assessing the impairment, these assets were allocated to corresponding CGUs, in which, the recoverable amount of each CGU was determined by management based on value-in-use calculations using cash flow projections approved by management. In carrying out the impairment assessments, significant management judgement was used to appropriately identify CGUs and to determine the key assumptions, including revenue growth rates, terminal growth rates used in the cash flow projection and the discount rate applied to bring the future cash flows back to their present values.

於審計中處理關鍵審計事項之方法

How our audit addressed the Key Audit Matter

- 評估財務預算中採用的關鍵估計及假設（包括管理層採用的收入增長率及最終增長率）的合理性，對比歷史結果以及最新經濟及行業預測；
- Assessing the reasonableness of key estimates and assumptions applied in the financial budget including revenue growth rates and terminal growth rate applied by management by comparing them with historic results and latest economic and industry forecasts;
- 測試使用價值計算的運算準確性及核對管理層使用的輸入數據到管理層批准的實際結果及財務預算等支持證據；及
- Testing the mathematical accuracy of the value-in-use calculation and agreed input data used by management to supporting evidence such as actual results and financial budget approved by management; and

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INDEPENDENT AUDITOR'S REPORT

本集團物業、廠房及設備以及使用權資產之減值 (續)

Impairment of the Group's property, plant and equipment and right-of-use assets (Continued)

關鍵審計事項

Key Audit Matter

根據估值評估，於二零二二年十二月三十一日，並無就稀土業務現金產生單位作出減值撥備。

Based on the impairment assessment, there is no provision for impairment of the CGU of rare earth business as at 31 December 2022.

由於結餘之財務重要性，且涉及判斷之主觀性及估計不確定性，我們選擇此為關鍵審計事項。

We selected this as a key audit matter due to the financial significance of the balances, subjectivity of judgements and estimation uncertainty involved.

於審計中處理關鍵審計事項之方法

How our audit addressed the Key Audit Matter

- 通過調整管理層減值評估中的關鍵假設進行敏感度分析，並考慮任何合理可能的調整(單獨或組合)是否會導致可收回金額發生重大變化。
- Performing sensitivity analyses by making adjustments to the key assumptions in management's impairment assessment and considering whether any reasonably possible adjustments, in isolation or as a combination, would result in material change in recoverable amounts.

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其他資料

貴公司董事為其他資料負責。其他資料包括年報所載資料，惟不包括綜合財務報表及吾等就此發出之核數師報告。

吾等對綜合財務報表表達之意見並不涵蓋其他資料，吾等亦不會就此表達任何形式之保證結論。

就吾等對綜合財務報表進行之審計工作而言，吾等負責審閱其他資料，並考慮其他資料是否與綜合財務報表或吾等從審計工作所獲得資料之間出現重大不相符情況，又或在其他方面出現重大錯誤陳述。倘吾等基於所進行工作而得出其他資料有重大錯誤陳述之結論，則吾等須匯報有關情況。就此，吾等並無須匯報之事宜。

董事就綜合財務報表須承擔之責任

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香港公司條例之披露要求，編製真實公平地反映情況之綜合財務報表，及董事釐定對編製綜合財務報表屬必要之有關內部監控，以使該等綜合財務報表不會存在由於欺詐或錯誤而導致之重大錯誤陳述。

在編製綜合財務報表時，貴公司董事負責評估貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事宜，以及使用持續經營為會計基礎，除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際替代方案。

貴公司董事於審核委員會的協助下，履行監管貴集團財務申報程序的責任。

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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 THE DIRECTORS 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

核數師就審計綜合財務報表須承擔之責任

吾等之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之重大錯誤陳述取得合理核證，並出具載有吾等意見之核數師報告。吾等乃根據委聘之協定條款僅向全體股東報告，不作其他用途。吾等並不就本報告之內容對任何其他人士負責或承擔責任。

合理核證屬高層次之核證，惟根據香港審計準則進行之審核工作不能保證總能察覺所存在之重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出之經濟決定時，則被視為重大錯誤陳述。

在根據香港審計準則進行審計之過程中，吾等運用專業判斷，保持專業懷疑態度。吾等亦：

- 識別及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之風險、設計及執行審計程序以應對該等風險，以及獲取充足和適當之審計憑證，作為吾等意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控之情況，因此未能發現因欺詐而導致之重大錯誤陳述之風險高於未能發現因錯誤而導致之重大錯誤陳述之風險。
- 了解與審計相關之內部監控，以設計適當之審計程序，惟並非旨在對貴集團內部監控之有效性發表意見。
- 評估董事所採用會計政策之恰當性及作出會計估計和相關披露之合理性。

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 solely to you, as a body, in accordance with our agreed terms of engagement, 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.

獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

- 對董事採用持續經營會計基礎之恰當性作出結論，並根據所獲取之審計憑證，確定是否存在與事項或情況有關之重大不確定性，從而可能導致對貴集團之持續經營能力產生重大疑慮。倘吾等認為存在重大不確定性，則有必要在核數師報告中提醒使用者注意綜合財務報表中之相關披露。倘有關披露不足，則修訂吾等意見。吾等結論乃基於截至核數師報告日期止所取得之審計憑證。然而，未來事項或情況可能導致貴集團無法持續經營。
- 評估綜合財務報表之整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯地反映相關交易和事項。
- 就貴集團內實體或業務活動之財務資料獲取充足及適當之審計憑證，以便對綜合財務報表發表意見。吾等負責集團審計之方向、監督和執行。吾等為審核意見承擔全部責任。
- 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.

吾等與審核委員會就(其中包括)審計之計劃範圍、時間安排及重大審計發現溝通，該等發現包括吾等在審計過程中識別之內部監控之任何重大缺失。

吾等亦向審核委員會作出聲明，指出吾等已符合有關獨立性之相關道德要求，並與彼等溝通可能被合理認為會影響吾等獨立性之所有關係及其他事宜，以及消除威脅所採取之行動或防範措施(如適用)。

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 threats or safeguards applied.

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

從與審核委員會溝通之事項中，吾等釐定對本期間綜合財務報表之審計最為重要的事項，因而構成關鍵審計事項。吾等在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見之情況下，倘合理預期在吾等報告中溝通某事項造成之負面後果超出產生之公眾利益，則吾等決定不應在報告中傳達該事項。

出具獨立核數師報告之審計項目董事為黎永業。

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 director on the audit resulting in this independent auditor's report is Lai Wing Ip.

天健德揚會計師事務所有限公司
執業會計師
香港，二零二三年三月三十一日

黎永業
執業證書編號 P07296

Ascenda Cachet CPA Limited
Certified Public Accountants
Hong Kong, 31 March 2023

Lai Wing Ip
Practising Certificate Number P07296

綜合損益表

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

截至二零二二年十二月三十一日止年度 For the year ended 31 December 2022

			二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
收入	Revenue	5	810,413	1,212,471
銷售成本	Cost of sales		(809,297)	(1,126,488)
毛利	Gross profit		1,116	85,983
其他收入	Other income	6	4,920	5,856
銷售及分銷費用	Selling and distribution expenses		(11,815)	(13,230)
管理費用	Administrative expenses		(36,794)	(44,471)
其他經營開支	Other operating expenses	7	(326,412)	–
其他虧損淨值	Other net loss	7	(22,664)	(5,600)
經營業務(虧損)/溢利	(Loss)/profit from operations		(391,649)	28,538
財務成本	Finance costs	8(a)	(297)	(455)
除稅前(虧損)/溢利	(Loss)/profit before taxation	8	(391,946)	28,083
所得稅支出	Income tax charge	9	(1,731)	(2,647)
本年度(虧損)/溢利	(Loss)/profit for the year		(393,677)	25,436
下列人士應佔本年度 (虧損)/溢利：	(Loss)/profit for the year attributable to:			
本公司擁有人	Owners of the Company		(373,296)	24,274
非控股權益	Non-controlling interests		(20,381)	1,162
			(393,677)	25,436
每股(虧損)/盈利	(Loss)/earnings per share			
– 基本及攤薄	– Basic and diluted	14	HK(15.94) cents港仙	HK1.04 cents港仙

第77頁至179頁之附註構成綜合財務報表其中一部份。

The notes on pages 77 to 179 form part of these consolidated financial statements.

綜合損益及其他全面收益表

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

截至二零二二年十二月三十一日止年度 For the year ended 31 December 2022

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
本年度(虧損)/溢利	(Loss)/profit for the year	(393,677)	25,436
本年度其他全面(虧損)/收益	Other comprehensive (loss)/income for the year		
可於其後重分類至損益賬的項目：	<i>Items that may be reclassified subsequently to profit or loss:</i>		
– 換算海外業務財務報表之匯兌差額	– Exchange differences on translation of financial statements of foreign operations	(221,094)	80,243
本年度全面(虧損)/收益總值	Total comprehensive (loss)/income for the year	(614,771)	105,679
下列人士應佔本年度全面(虧損)/收益總值：	Total comprehensive (loss)/income for the year attributable to:		
本公司擁有人	Owners of the Company	(594,499)	104,280
非控股權益	Non-controlling interests	(20,272)	1,399
		(614,771)	105,679

第77頁至179頁之附註構成綜合財務報表其中一部份。

The notes on pages 77 to 179 form part of these consolidated financial statements.

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零二二年十二月三十一日 As at 31 December 2022

			二零二二年 2022	二零二一年 2021
		附註 Note	千港元 HK\$'000	千港元 HK\$'000
非流動資產	Non-current assets			
商譽	Goodwill	16	–	–
物業、廠房及設備	Property, plant and equipment	17	164,273	209,203
使用權資產	Right-of-use assets	18	88,741	100,536
遞延稅項資產	Deferred tax assets	25(b)	6,813	6,685
			259,827	316,424
流動資產	Current assets			
存貨	Inventories	20	191,410	341,144
應收賬款及其他應收款	Trade and other receivables	21	492,031	562,444
預付款項及按金	Prepayments and deposits	21	13,065	6,352
可收回稅項	Tax recoverable	25(a)	911	808
現金及現金等值項目	Cash and cash equivalents	22	1,452,386	1,819,833
			2,149,803	2,730,581
流動負債	Current liabilities			
應付賬款	Trade payables	23	84,631	106,661
應計款項及其他應付款	Accruals and other payables	23	37,123	35,551
應付董事款項	Amounts due to directors	24	7,505	7,885
租賃負債	Lease liabilities	26	371	353
應付稅項	Tax payable	25(a)	2,544	4,916
			132,174	155,366
流動資產淨值	Net current assets		2,017,629	2,575,215
資產總值減流動負債	Total assets less current liabilities		2,277,456	2,891,639
非流動負債	Non-current liabilities			
租賃負債	Lease liabilities	26	1,020	1,391
資產淨值	NET ASSETS		2,276,436	2,890,248

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零二二年十二月三十一日 As at 31 December 2022

			二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
		附註 Note		
股本及儲備	CAPITAL AND RESERVES	27		
股本	Share capital		234,170	234,170
儲備	Reserves		2,053,651	2,647,191
本公司擁有人應佔權益	Equity attributable to owners of the Company		2,287,821	2,881,361
非控股權益	Non-controlling interests		(11,385)	8,887
權益總值	TOTAL EQUITY		2,276,436	2,890,248

第70頁至179頁之綜合財務報表經由董事會於二零二三年三月三十一日批准及授權刊發，並由以下人士代表簽署：

The consolidated financial statements on pages 70 to 179 were approved and authorised for issue by the board of directors on 31 March 2023, and are signed on its behalf by:

蔣泉龍
董事

錢元英
董事

Jiang Quanlong
Director

Qian Yuanying
Director

第77頁至179頁之附註構成綜合財務報表其中一部份。

The notes on pages 77 to 179 form part of these consolidated financial statements.

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零二二年十二月三十一日止年度 For the year ended 31 December 2022

		本公司擁有人應佔權益 Attributable to owners of the Company									
		股本	股份溢價	資本儲備	法定儲備	匯兌儲備	購股權儲備	累計虧損	小計	非控股權益	總值
		Share capital	Share premium	Capital reserve	Statutory reserves	Translation reserve	option reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零二一年一月一日	At 1 January 2021	234,170	2,093,306	22,348	249,078	398,681	-	(220,502)	2,777,081	7,488	2,784,569
二零二一年之權益變動：	Changes in equity for 2021:										
本年度溢利	Profit for the year	-	-	-	-	-	-	24,274	24,274	1,162	25,436
其他全面收益	Other comprehensive income										
– 換算海外業務財務報表之匯兌差異	– Exchange differences on translation of financial statements of foreign operations	-	-	-	-	80,006	-	-	80,006	237	80,243
本年度全面收益總值	Total comprehensive income for the year	-	-	-	-	80,006	-	24,274	104,280	1,399	105,679
註銷附屬公司儲備轉出	Release of reserve upon deregistration of subsidiaries	-	-	-	(16,825)	-	-	16,825	-	-	-
於二零二一年十二月三十一日	At 31 December 2021	234,170	2,093,306	22,348	232,253	478,687	-	(179,403)	2,881,361	8,887	2,890,248
於二零二二年一月一日	At 1 January 2022	234,170	2,093,306	22,348	232,253	478,687	-	(179,403)	2,881,361	8,887	2,890,248
二零二二年之權益變動：	Changes in equity for 2022:										
本年度虧損	Loss for the year	-	-	-	-	-	-	(373,296)	(373,296)	(20,381)	(393,677)
其他全面(虧損)/收益	Other comprehensive (loss)/income										
– 換算海外業務財務報表之匯兌差異	– Exchange differences on translation of financial statements of foreign operations	-	-	-	-	(221,203)	-	-	(221,203)	109	(221,094)
本年度全面虧損總值	Total comprehensive loss for the year	-	-	-	-	(221,203)	-	(373,296)	(594,499)	(20,272)	(614,771)
確認權益結算以股份為基礎之付款(附註28)	Recognition of equity-settled share-based payments (note 28)	-	-	-	-	-	959	-	959	-	959
於二零二二年十二月三十一日	At 31 December 2022	234,170	2,093,306	22,348	232,253	257,484	959	(552,699)	2,287,821	(11,385)	2,276,436

第77頁至179頁之附註構成綜合財務報表其中一部份。

The notes on pages 77 to 179 form part of these consolidated financial statements.

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零二二年十二月三十一日止年度 For the year ended 31 December 2022

			二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
		附註 Note		
經營活動	Operating activities			
除稅前(虧損)/溢利	(Loss)/profit before taxation		(391,946)	28,083
調整項目：	Adjustments for:			
財務成本	Finance costs	8(a)	297	455
利息收入	Interest income	6	(4,872)	(5,856)
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	8(c)	34,744	31,457
使用權資產之折舊	Depreciation of right-of-use assets	8(c)	3,551	4,181
出售物業、廠房及設備之收益淨額	Net gain on disposal of property, plant and equipment	7	(397)	(327)
終止租賃之收益	Gain on termination of a lease	7	-	(164)
確認應收賬款之減值虧損淨額	Net impairment losses recognised on trade receivables	7	15,244	5,529
確認其他應收款之減值虧損淨額	Net impairment losses recognised on other receivables	7	44	1,664
存貨撇減	Write-down of inventories	20(b)	417	17,704
存貨撇減撥回	Reversal of write-down of inventories	20(b)	(45)	(73)
權益結算以股份為基礎之付款	Equity-settled share-based payments	28	959	-
			(342,004)	82,653
營運資金變動	Changes in working capital			
存貨減少/(增加)	Decrease/(increase) in inventories		125,792	(8,526)
應收賬款及其他應收款減少/(增加)	Decrease/(increase) in trade and other receivables		8,682	(62,176)
預付款項及按金(增加)/減少	(Increase)/decrease in prepayments and deposits		(7,542)	100,907
應付賬款(減少)/增加	(Decrease)/increase in trade payables		(13,911)	28,492
應計款項及其他應付款增加/(減少)	Increase/(decrease) in accruals and other payables		3,997	(23,037)
應付董事款項(減少)/增加	(Decrease)/increase in amounts due to directors		(618)	2,915
經營(使用)/所得的現金	Cash (used in)/generated from operations		(225,604)	121,228
已付所得稅	Income tax paid	25(a)	(4,891)	(6,170)
經營活動(使用)/所得的現金淨值	Net cash (used in)/generated from operating activities		(230,495)	115,058

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零二二年十二月三十一日止年度 For the year ended 31 December 2022

			二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
	附註 Note			
投資活動		Investing activities		
購置物業、廠房及設備		Purchase of property, plant and equipment	(6,957)	(90,204)
出售物業、廠房及設備之所得款項		Proceeds from disposal of property, plant and equipment	1,029	439
已收利息		Interest received	4,872	5,856
投資活動使用的現金淨值		Net cash used in investing activities	(1,056)	(83,909)
融資活動		Financing activities		
已付租賃租金之資本部份	33	Capital element of lease rentals paid	(353)	(815)
已付租賃租金之利息部份	33	Interest element of lease rentals paid	(79)	(134)
已付利息	33	Interest paid	(218)	(321)
融資活動使用的現金淨值		Net cash used in financing activities	(650)	(1,270)
現金及現金等值項目 (減少)/增加淨值		Net (decrease)/increase in cash and cash equivalents	(232,201)	29,879
年初現金及現金等值項目		Cash and cash equivalents at beginning of the year	1,819,833	1,740,255
匯率變動之影響		Effect of changes in exchange rate	(135,246)	49,699
年末現金及現金等值項目	22	Cash and cash equivalents at end of the year	1,452,386	1,819,833

第77頁至179頁之附註構成綜合財務報表其中一部份。

The notes on pages 77 to 179 form part of these consolidated financial statements.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至二零二二年十二月三十一日止年度 For the year ended 31 December 2022

1. 一般資料

中國稀土控股有限公司（「本公司」）於開曼群島註冊成立為一間獲豁免的有限責任公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司註冊辦事處及主要營業地點於本年報「公司資料」一節中披露。

本公司之直接母公司及最終控股人士為YY Holdings Limited（「YY Holdings」），該公司於英屬處女群島註冊成立。YY Holdings並無編製可供公眾人士使用之財務報表。

本公司及其附屬公司（統稱為「本集團」）從事製造及銷售稀土產品及耐火產品以及投資控股。本集團之主要業務於年內並無任何變動。

本綜合財務報表以港元（「港元」）列示，即本公司及其於香港經營之附屬公司之功能貨幣，而本公司於中華人民共和國（「中國」）成立之附屬公司之功能貨幣為人民幣（「人民幣」）。本公司董事認為，就控制及監察本集團業績及財務狀況以及向YY Holdings（其功能貨幣亦為港元）報告而言，以港元列示綜合財務報表更為得宜。

1. GENERAL

China Rare Earth Holdings Limited (the “Company”) was 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 (the “Stock Exchange”). The addresses of the Company’s registered office and principal place of business are disclosed in the “Corporate information” section of this annual report.

The immediate parent and the ultimate controlling party of the Company is YY Holdings Limited (“YY Holdings”), which was incorporated in the British Virgin Islands. YY Holdings does not produce financial statements available for public use.

The Company and its subsidiaries (collectively referred to as the “Group”) are engaged in manufacturing and sales of rare earth products and refractory products, and investment holding. There have been no changes in the principal activities of the Group during the year.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the functional currency of the Company and its subsidiaries operating in Hong Kong, while the functional currency of the Company’s subsidiaries established in the People’s Republic of China (the “PRC”) is Renminbi (“RMB”). The directors of the Company consider that presenting the consolidated financial statements in Hong Kong dollars is preferable when controlling and monitoring the performance and financial position of the Group and in reporting to YY Holdings whose functional currency is also Hong Kong dollars.

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至二零二二年十二月三十一日止年度 For the year ended 31 December 2022

2. 主要會計政策

a) 遵守聲明

此等綜合財務報表是按照所有適用香港財務報告準則（「香港財務報告準則」），該統稱包括所有由香港會計師公會（「香港會計師公會」）頒佈的個別適用的《香港財務報告準則》、《香港會計準則》（「香港會計準則」）及詮釋以及香港公認會計原則及香港公司條例（「公司條例」）之適用披露規定而編製。此等綜合財務報表亦符合聯交所證券上市規則（「上市規則」）之適用披露規定。本集團採納之主要會計政策披露於下文。

香港會計師公會已頒佈若干新訂及經修訂之香港財務報告準則，有關準則自本集團的本會計期間初次生效或可供提前採用。有關初步應用該等準則導致會計政策任何變動之資料載於附註3內，惟以該等準則於此等綜合財務報表所反映之現有及過往會計期間與本集團有關者為限。

b) 綜合財務報表編製基準

截至二零二二年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司。

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance (“CO”). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

b) Basis of preparation of the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2022 comprise the Company and its subsidiaries.

2. 主要會計政策(續)

b) 綜合財務報表編製基準(續)

編製綜合財務報表所採用之計量基準為歷史成本法。

編製此等符合香港財務報告準則之財務報表需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響政策之應用及所申報之資產、負債、收入及開支等數額。該等估計及有關假設乃根據過往經驗及管理層相信於該等情況下乃屬合理之各項其他因素為基準而作出，所得結果構成管理層就目前未能從其他來源而得出的資產及負債之賬面值所作出估計之基準。實際數字或會有別於估計數字。

本集團持續就所作估計及相關假設作出評估。會計估計之變動如僅影響當期，則有關會計估計變動將於當期確認，或如有關變動影響現行及未來期間，則在變動期間及未來期間確認。

管理層在應用香港財務報告準則時所作出並對綜合財務報表有重大影響之判斷，以及估計不確定因素之主要來源，詳述於附註4。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of preparation of the consolidated financial statements (Continued)

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of HKFRSs that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 4.

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2. 主要會計政策(續)

c) 附屬公司及非控股權益

附屬公司為本集團控制的實體。當本集團具有承擔或享有參與實體所得的可變回報的風險或權利，並能透過其在該實體的權力影響該等回報，即屬對該實體具有控制權。當評估本集團是否具有該權力時，只會考慮(由本集團或其他人士持有的)實質權利。

於附屬公司之投資會自控制開始日期起合併入賬綜合財務報表內，直至控制結束日期為止。集團內公司間之結餘、交易及現金流量和集團內公司間之交易所產生之任何未變現溢利於編製綜合財務報表時悉數抵銷。倘並無出現減值跡象，集團內公司間之交易所產生之未變現虧損則按照未變現收益之相同方式抵銷。

非控股權益指並非由本公司直接或間接擁有之附屬公司權益，而本集團未有就此與該權益持有人達成任何附加協議，致令本集團整體上對該等權益產生符合財務負債定義之合約責任。就每項業務合併而言，本集團可選擇按附屬公司之可辨識資產淨值之公平值或所佔附屬公司可辨識資產淨值之比例計量任何非控股權益。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

2. 主要會計政策(續)

c) 附屬公司及非控股權益(續)

非控股權益會在綜合財務狀況表之權益項目中，與本公司擁有人之應佔權益分開呈報。而非控股權益所佔集團業績之權益則會在綜合損益表及綜合損益及其他全面收益表中列作為本公司非控股權益與本公司擁有人之間的年內損益總額及全面收益總額分配。非控股權益持有人之貸款及該等持有人的其他合約責任根據附註2(k)或2(l)於綜合財務狀況表內呈列為金融負債，視乎負債性質而定。

本集團於附屬公司之權益變動若無導致失去控制權，會按股權交易入賬，即調整綜合股本權益內之控制及非控制權益金額以反映相關權益之變動，但不調整商譽及確認損益。

當集團失去對附屬公司的控制權時，則計為出售該附屬公司全部權益，因此而產生的收益或虧損於損益確認。失去控制權當日於該前附屬公司留存的任何權益按公平值確認，有關金額視為初步確認金融資產時的公平值或(倘適用)初步確認於聯營公司或合營企業投資的成本。

在本公司之財務狀況表內，於附屬公司之投資按成本值減去任何減值虧損(見附註2(g)(ii))列賬。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Subsidiaries and non-controlling interests (Continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and owners of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(k) or 2(l) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less any impairment losses (see note 2(g)(ii)).

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2. 主要會計政策(續)

d) 商譽

業務收購所產生之商譽乃按於業務收購之日所確定之成本值減累計減值虧損(如有)列賬。

就進行減值測試而言，商譽會分配至預期可透過合併之協同效益獲利之本集團各現金產生單位(或現金產生單位組別)，表示為內部管理目的而監察商譽之最低級別且不大於經營分部。

獲分配商譽之現金產生單位(或現金產生單位組別)會每年作減值測試，或於有跡象顯示該單位可能出現減值時，作更頻密減值測試。就於某個報告期之收購所產生之商譽而言，已獲分配商譽之現金產生單位(或現金產生單位組別)於該報告期末之前進行減值測試。當可收回金額低於賬面值，減值虧損首先分配以減低任何商譽之賬面值，繼而根據現金產生單位(或現金產生單位組別)內各資產之賬面值，按比例分配至其他資產。

於出售相關現金產生單位或現金產生單位組別內任何現金產生單位之任何應佔商譽金額均包括於出售時所釐定之損益金額內。當本集團出售現金產生單位(或現金產生單位組別中的現金產生單位)內的業務時，所出售商譽金額按所出售業務(或現金產生單位)與所保留現金產生單位(或現金產生單位組別)部分的相對價值計量。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the cash-generating unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

2. 主要會計政策(續)

e) 物業、廠房及設備

物業、廠房及設備(在建工程除外)按成本值減累計折舊及任何累計減值虧損入賬(見附註2(g)(ii))。

自行興建之物業、廠房及設備之成本，包括材料成本、直接工資、初步估計之拆卸及搬遷項目以及恢復項目所在地原貌之成本(如適用)，以及適當比例之其他成本及貸款成本(見附註2(s))。

報廢或出售物業、廠房及設備項目所產生之收益或虧損，乃以出售所得款項淨額與項目賬面值之差異釐定，並於報廢或出售日期於損益確認。

物業、廠房及設備項目之折舊乃使用直線法按其如下估計可使用年期撇銷其成本值減估計剩餘價值(如有)：

– 持作自用之樓宇	20年
– 機器及設備	10年
– 辦公室設備及裝置	5年
– 汽車	5年

當一項物業、廠房及設備之各部份有不同的可使用年期，此項目各部份之成本值將按合理基礎分配，而每部份將作個別折舊。資產之可使用年期及其剩餘價值(如有)會每年進行檢討。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Property, plant and equipment

Property, plant and equipment, other than construction-in-progress, are stated at cost less accumulated depreciation and any accumulated impairment losses (see note 2(g)(ii)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(s)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

– Buildings held for own use	20 years
– Machinery and equipment	10 years
– Office equipment and fixtures	5 years
– Motor vehicles	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

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2. 主要會計政策(續)

e) 物業、廠房及設備(續)

在建工程指興建中和有待安裝的物業、廠房及設備，按成本值減累計減值虧損(如有)列賬(見附註2(g)(ii))。成本包括樓宇建築成本、機器及設備成本以及在興建或安裝及測試期間為收購該等資產融資貸款所產生的利息費用。在建工程截至相關資產建設完成且可作擬定用途前不會計提折舊。有關資產可作擬定用途時，該等成本會撥歸其他物業、廠房及設備類別，並按上文所載的政策折舊。

f) 租賃資產

訂立合約時，本集團評估合約是否為租賃或包含租賃。如果合約轉達了一段時間以控制對已識別資產的使用的權利換取代價，則合約為租賃或包含租賃。當客戶有權主導該項已識別資產的使用，且從使用中獲取幾乎所有的經濟利益時，控制權被轉移。

作為承租人

倘合約包含租賃組成部分及非租賃組成部分，本集團已選擇不分拆非租賃組成部分，並對每個租賃組成部分和任何相關的非租賃組成部分作為一項單一的租賃進行會計處理。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Property, plant and equipment (Continued)

Construction-in-progress represents property, plant and equipment under construction and pending installation and is stated at cost less accumulated impairment losses (see note 2(g)(ii)), if any. Cost includes the costs of construction of buildings, the costs of machinery and equipment and interest charges arising from borrowings used to finance the acquisition of these assets during the period of construction or installation and testing. No provision for depreciation is made on construction-in-progress until such time as the relevant assets are completed and are available for their intended use. When the assets concerned are ready for intended use, the costs are transferred to other categories of property, plant and equipment and depreciated in accordance with the policy as stated above.

f) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

2. 主要會計政策(續)

f) 租賃資產(續)

作為承租人(續)

於租賃開始日，本集團確認使用權資產和租賃負債，但租賃期為12個月或以下的短期租賃和低價值資產的租賃除外。當本集團就一項低價值資產訂立租賃時，本集團決定是否以逐項租賃為基礎將租賃資本化。與未資本化的租賃相關的租賃付款在租賃期內有系統地確認為費用。

若租賃被資本化，則租賃負債以租賃期內應付租賃付款的現值進行初始確認，並使用該項租賃的內含利率折現；或如果內含利率無法輕易釐定，則使用相關的增量借款利率。初始確認後，租賃負債以攤銷成本計量，且利息費用則採用實際利率法計算。不取決於指數或利率的可變租賃付款並不包含於租賃負債的計量中，並因此於其產生的會計期間計入損益。

租賃資本化時已確認的使用權資產按成本進行初始計量，其中包括租賃負債的初始金額加上任何於開始日或之前作出的租賃付款，以及產生的任何初始直接費用。在適用的情況下，使用權資產的成本亦包括將拆卸、搬移相關資產或復原相關資產或資產所在地點的費用估算折現至其現值，減去已收到的租賃優惠。使用權資產隨後按成本值減去累計折舊和減值虧損列賬(參閱附註2(g)(ii))。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leased assets (Continued)

As a lessee (Continued)

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see note 2(g)(ii)).

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2. 主要會計政策(續)

f) 租賃資產(續)

作為承租人(續)

當指數或利率變動引起未來租賃付款發生變動；或本集團就餘值擔保下預計應付的金額發生變化；或由於重新評估本集團是否合理地行使購買、延期或終止選擇權而產生變化時，承租人重新計量租賃負債。當租賃負債以此方式重新計量時，對使用權資產的賬面價值作出相應調整，或倘使用權資產的賬面價值減記至零，則計入損益。

本集團於綜合財務狀況表中分別列示使用權資產及租賃負債。

g) 信貸虧損及資產減值

i) 金融工具及合約資產之信貸虧損

本集團就下列各項的預期信貸虧損(「預期信貸虧損」)確認虧損撥備：

- 按攤銷成本計量的金融資產(包括現金及現金等值項目以及應收賬款及其他應收款)；及
- 香港財務報告準則第15號所界定之合約資產(見附註2(ii))。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Leased assets (Continued)

As a lessee (Continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities separately in the consolidated statement of financial position.

g) Credit losses and impairment of assets

i) *Credit losses from financial instruments and contract assets*

The Group recognises a loss allowance for expected credit losses ("ECLs") on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, and trade and other receivables); and
- contract assets as defined in HKFRS 15 (see note 2(ii)).

2. 主要會計政策(續)

g) 信貸虧損及資產減值(續)

i) 金融工具及合約資產之信貸虧損(續)

按公平值計量的金融資產、透過損益按公平值計量(「透過損益按公平值計量」)之權益證券、指定為透過其他全面收益按公平值計量(「透過其他全面收益按公平值計量」)的權益證券(不可劃轉)及衍生金融資產,均不受限於預期信貸虧損的評估。

預期信貸虧損計量

預期信貸虧損乃以概率加權估計的信貸虧損。信貸虧損以所有預期現金短缺(即根據合約應付予本集團的現金流量及本集團預期收取的現金流量之間的差額)的現值計量。

倘貼現影響屬重大,預期現金短缺將使用以下貼現率貼現:

- 固定利率金融資產、應收賬款及其他應收款及合約資產: 初始確認釐定時的實際利率或其近似值; 及
- 浮動利率金融資產: 現行實際利率。

於估計預期信貸虧損時考慮的最長期間為本集團承受信貸風險的最長合約期間。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Credit losses and impairment of assets (Continued)

i) Credit losses from financial instruments and contract assets (Continued)

Financial assets measured at fair value, equity securities measured at fair value through profit or loss ("FVPL"), equity securities designated at fair value through other comprehensive income ("FVOCI") (non-recycling) and derivative financial assets, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

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2. 主要會計政策(續)

g) 信貸虧損及資產減值(續)

i) 金融工具及合約資產之信貸虧損(續)

預期信貸虧損計量(續)

在計量預期信貸虧損時，本集團考慮合理及有理據而毋須付出不必要的成本或努力獲得的資料。這包括過去事件、當前狀況和未來經濟狀況預測等資料。

預期信貸虧損基於下列其中一個基準計量：

- 十二個月之預期信貸虧損：預期於報告日期後十二個月內可能發生的違約事件而導致的虧損；及
- 整個存續期之預期信貸虧損：預期於採用預期信貸虧損模式的項目在預期年限內所有可能發生的違約事件而導致的虧損。

應收賬款及合約資產的虧損撥備一般乃按等同於整個存續期的預期信貸虧損的金額計量。這些金融資產的預期信貸虧損是利用基於本集團過往信貸虧損經驗的撥備矩陣進行估算，並按於報告日期債務人的個別因素及對當前及預測整體經濟狀況的評估進行調整。

對於所有其他金融工具，本集團確認相當於十二個月之預期信貸虧損的虧損撥備，除非自初始確認以來金融工具的信貸風險顯著增加，在這種情況下，虧損撥備計量等於整個存續期的預期信貸虧損的金額。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Credit losses and impairment of assets (Continued)

i) Credit losses from financial instruments and contract assets (Continued)

Measurement of ECLs (Continued)

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

2. 主要會計政策(續)

g) 信貸虧損及資產減值(續)

i) 金融工具及合約資產之信貸虧損(續)

信貸風險大幅上升

評估金融工具的信貸風險自初始確認以來有否大幅上升時，本集團會比較於報告日期及於初始確認日期評估的金融工具發生違約的風險。作出該重新評估時，本集團認為，倘(i)借款人不大可能在本集團無追索權採取變現抵押(如持有)等行動的情況下向本集團悉數支付其信貸承擔；或(ii)金融資產已逾期90日，則發生違約事件。本集團會考慮合理可靠的定量及定性資料，包括過往經驗及在無需付出過多成本或努力下即可獲得的前瞻性資料。具體而言，評估信貸風險自初始確認以來有否大幅上升時會考慮以下資料：

- 未能按合約到期日期支付本金或利息；
- 金融工具外部或內部信貸測評的實際或預期顯著惡化(如有)；
- 債務人經營業績的實際或預期顯著惡化；及
- 科技、市場、經濟或法律環境的目前或預期變動對債務人履行其對本集團責任的能力有重大不利影響。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Credit losses and impairment of assets (Continued)

i) Credit losses from financial instruments and contract assets (Continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

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2. 主要會計政策(續)

g) 信貸虧損及資產減值(續)

i) 金融工具及合約資產之信貸虧損(續)

信貸風險大幅上升(續)

取決於金融工具的性质，信貸風險大幅上升的評估乃按個別基準或共同基準進行。倘評估為按共同基準進行，金融工具則按共同的信貸風險特徵(如逾期狀況及信貸風險評級)進行分組。

預期信貸虧損於各報告日期進行重新計量以反映金融工具自初始確認以來的信貸風險變動。預期信貸虧損金額的任何變動均於損益中確認為減值收益或虧損。本集團就所有金融工具確認減值收益或虧損，並通過虧損撥備賬對彼等之賬面值作出相應調整，惟於按公平值計入其他全面收益計量(可劃轉)之債務證券之投資除外。有關投資之虧損撥備於其他全面收益內確認並於公平值儲備中累計(可劃轉)。

計算利息收入的基準

根據附註2(q)(ii)確認的利息收入乃根據金融資產之總賬面值計算，除非該金融資產出現信貸減值，在此情況下，利息收入乃根據金融資產之攤銷成本(即總賬面值減虧損撥備)計算。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Credit losses and impairment of assets (Continued)

i) Credit losses from financial instruments and contract assets (Continued)

Significant increases in credit risk (Continued)

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Basis of calculation of interest income

Interest income recognised in accordance with note 2(q)(ii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

2. 主要會計政策(續)

g) 信貸虧損及資產減值(續)

i) 金融工具及合約資產之信貸虧損(續)

計算利息收入的基準(續)

於各報告日期，本集團評估金融資產是否出現信貸減值。當發生一項或多項對金融資產估計未來現金流量有不利影響的事件時，金融資產出現信貸減值。

金融資產出現信貸減值的證據包括以下可觀察事件：

- 債務人有重大財務困難；
- 違反合約，如拖欠償還或逾期事件；
- 債務人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境有重大改變而對債務人有不利影響；或
- 由於發行人出現財務困難，證券活躍市場消失。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Credit losses and impairment of assets (Continued)

i) Credit losses from financial instruments and contract assets (Continued)

Basis of calculation of interest income (Continued)

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

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2. 主要會計政策(續)

g) 信貸虧損及資產減值(續)

i) 金融工具及合約資產之信貸虧損(續)

撇銷政策

若日後實際上不可收回款項，則會撇銷(部分或全部)金融資產或合約資產的總賬面值。該情況通常出現在本集團確定債務人沒有資產或可產生足夠現金流量的收入來源來償還應撇銷的金額。

隨後收回先前撇銷之資產於收回期間在損益內確認為減值撥回。

ii) 其他非流動資產之減值

本集團會於每個報告期末審閱內部及外界所得資料，以確定下列資產(商譽除外)是否出現減值或先前已確認之減值虧損不再存在或已經減少：

- 商譽；
- 物業、廠房及設備；
- 使用權資產；及
- 本公司財務狀況表之於附屬公司之投資。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Credit losses and impairment of assets (Continued)

i) Credit losses from financial instruments and contract assets (Continued)

Write-off policy

The gross carrying amount of a financial asset or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- goodwill;
- property, plant and equipment;
- right-of-use assets; and
- investments in subsidiaries in the Company's statement of financial position.

2. 主要會計政策(續)

g) 信貸虧損及資產減值(續)

ii) 其他非流動資產之減值(續)

倘出現任何該等跡象，則估計資產之可收回數額。此外，就商譽而言，其可收回數額會每年估計（不論有否出現減值跡象）。

- 可收回數額計算
資產之可收回數額乃指公平值減出售成本與使用價值兩者中之較高者。在評估使用價值時，估計日後現金流量乃根據除稅前貼現率貼現至現值，而該貼現率須能反映市場現行對款項的時間價值及資產獨有風險之評估。倘某項資產之現金流量大致上不能獨立於其他資產之現金流量，則就可獨立產生現金流量之最小資產組別（即現金產生單位）釐定可收回數額。
- 減值虧損確認
倘資產或其所屬之現金產生單位之賬面值超過其可收回數額，則於損益確認減值虧損。就現金產生單位確認之減值虧損而言，其首先用作減少已分配至現金產生單位（或現金產生單位組別）之任何商譽之賬面值，其後按比例基準用作減少現金產生單位（或現金產生單位組別）內其他資產之賬面值；惟資產之賬面值將不得減少至低於其個別公平值減出售成本（如能計量）或使用價值（如能計算）。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Credit losses and impairment of assets (Continued)

ii) Impairment of other non-current assets (Continued)

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount
The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).
- Recognition of impairment losses
An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of cash-generating units) and then, to reduce the carrying amount of the other assets in the cash-generating unit (or group of cash-generating units) on a pro-rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

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2. 主要會計政策(續)

g) 信貸虧損及資產減值(續)

ii) 其他非流動資產之減值(續)

- 減值虧損撥回

就商譽以外的資產而言，倘用作釐定可收回數額之估計出現有利變動，則須撥回減值虧損。商譽之減值虧損不會撥回。

減值虧損撥回只限於該資產並未計算過往年度所確認之減值虧損時之賬面值。減值虧損撥回之數於確認有關撥回之年度計入損益內。

iii) 中期財務報告及減值

根據上市規則，本集團須按照香港會計準則第34號「中期財務報告」之規定就有關財政年度首六個月編製中期財務報告。於中期期末，本集團採用其於財政年度結束時將採用之同一減值測試、確認及撥回標準(見附註2(g)(i)及(ii))。

於中期期間就商譽確認之減值虧損不會於其後的期間撥回。假設有關於中期期間的減值評估於財政年度結束時進行，即使沒有確認虧損或確認較少之虧損，均採用以上相同處理方法。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Credit losses and impairment of assets (Continued)

ii) Impairment of other non-current assets (Continued)

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34 "Interim Financial Reporting", in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(g)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

2. 主要會計政策(續)

h) 存貨

存貨按成本值及可變現淨值(以較低者為準)列賬。

成本根據加權平均成本公式計算，包括所有採購成本以及使存貨達至現址和現況所產生之轉換成本及其他成本。

可變現淨值乃於日常業務過程中之估計售價減估計完成成本及進行銷售所必要之估計成本。

當售出存貨時，該等存貨之賬面值乃於確認相關收入之期間確認為一項開支。

任何存貨撇減至可變現淨值之金額及存貨之所有虧損均於發生撇減或虧損之期間確認為一項開支。任何存貨撇減之回撥金額乃於回撥發生之期間確認為先前已列為一項開支之存貨金額之減少。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

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2. 主要會計政策(續)

i) 合約資產及合約負債

根據合約所載列的付款條款有權無條件獲取代價前，於集團確認收入時確認為合約資產。合約資產是根據附註2(g)(i)所載之會計政策就預期信貸虧損進行評估，並於收取代價款的權利成為無條件時重新分類為應收款(見附註2(j))。

合約負債於客戶在本集團確認相關收入前支付不可退回代價時確認。倘本集團於本集團確認相關收入前擁有無條件接納不可退回代價之權利，則確認合約負債。在此情況下，亦將確認相應的應收款(見附註2(j))。

就與同一客戶的單一合約而言，只以合約資產淨額或合約負債淨額呈列。對於多份合約，不相關的合約資產及合約負債不以淨額列報。

當合約包含重大融資成分時，合約結餘額包括按實際利率法計算的應計利息(見附註2(q))。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in note 2(g)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 2(j)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2(j)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(q)).

2. 主要會計政策(續)**j) 應收賬款及其他應收款**

應收款於本集團有無條件收取代價款的權利時予以確認。倘代價僅隨時間推移即會成為到期應付，則收取代價的權利為無條件。倘在本集團於獲得無條件收取代價的權利前確認收入，則該金額作為合約資產呈列(見附註2(i))。

應收款以實際利率法減信貸虧損撥備按攤銷成本列賬(見附註2(g)(i))。

k) 計息貸款

計息貸款初步按公平值減交易成本確認。於初步確認後，計息貸款按攤銷成本採用實際利率法列賬。利息開支根據本集團有關借貸成本之會計政策(見附註2(s))確認。

l) 應付賬款及其他應付款

應付賬款及其他應付款初步按公平值確認，其後按攤銷成本列賬，除非貼現之影響並不重大，於此情況下則按成本列賬。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**j) Trade and other receivables**

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 2(i)).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 2(g)(i)).

k) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see note 2(s)).

l) Trade and other payables

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

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2. 主要會計政策(續)

m) 現金及現金等值項目

現金及現金等值項目包括銀行及手頭之現金、存放於銀行及其他金融機構之活期存款，以及於購入時至到期日為三個月以內之可輕易轉換為已知數額現金且價值變動風險不大之短期高流動性投資。就綜合現金流量表而言，須按要求償還及構成本集團現金管理整體一部份之銀行透支，亦列為現金及現金等值項目之組成部份。現金及現金等值項目根據附註2(g)(i)所載之政策進行預期信貸虧損評估。

n) 僱員福利

i) 短期僱員福利及界定供款退休計劃之供款

薪金、年度花紅、帶薪年假、向界定供款退休計劃之供款及非貨幣福利之成本均於僱員提供相關服務之年度內預提。倘付款或結算被遞延且影響重大，則該等金額按其現值列賬。

ii) 以股份為基礎之付款

授予僱員之購股權之公平值確認為僱員成本，而權益中之購股權儲備亦會相應增加。如果僱員須符合歸屬條件才能無條件享有購股權之權利，經考慮購股權歸屬之可能性後，購股權之估計公平值總額則會在整個歸屬期內分攤。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in note 2(g)(i).

n) Employee benefits

i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

ii) Share based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a share option reserve within equity. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

2. 主要會計政策(續)

n) 僱員福利(續)

ii) 以股份為基礎之付款(續)

於歸屬期間，本集團會審閱預期歸屬之購股權數目。除非原有僱員開支符合資格確認為資產，否則於過往年度確認之任何累積公平值調整會在回顧年度扣除自／計入損益，而購股權儲備亦會作相應調整。於歸屬日期，確認為開支之數額會作出調整，以反映歸屬購股權之實際數目（而購股權儲備亦會作相應調整），惟倘僅因未能達成與本公司股份市價有關之歸屬條件而喪失則作別論。權益金額乃於購股權儲備中確認，直至購股權獲行使（屆時有關金額計入就已發行股份於股本確認之款項中）或購股權屆滿（屆時有關金額直接撥入累計溢利／（虧損））為止。

iii) 終止福利

當本集團不能再取消提供該等福利時及本集團確認涉及支付終止福利的重組成本時（以較早者為準），則確認終止福利。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Employee benefits (Continued)

ii) Share based payments (Continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to accumulated profits/(losses)).

iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

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2. 主要會計政策(續)

o) 所得稅

本年度所得稅包括本期稅項及遞延稅項資產和負債之變動。本期稅項及遞延稅項資產和負債之變動均於損益確認，惟與於其他全面收益或直接於權益確認之項目有關者，則有關稅項分別於其他全面收益或直接於權益內確認。

本期稅項是按本年度應課稅收入採用於報告期末已執行或實質上已執行之稅率計算之預期應付稅項，以及就過往年度應付稅項之任何調整。

遞延稅項資產和負債分別由可抵扣和應課稅暫時差異，即作財務報告用途之資產和負債之賬面值與彼等稅基之間之差異而產生。遞延稅項資產亦可因未運用稅務虧損及未運用稅務抵免而產生。

除了若干有限之例外情況外，所有遞延稅項負債，以及所有遞延稅項資產（僅限於未來很可能取得應課稅溢利而令該項資產得以運用之部份）均予以確認。容許確認由可予扣減暫時差異所產生之遞延稅項資產之未來應課稅溢利包括其將由目前之應課稅暫時性差異撥回之部份，而此等應課稅暫時差異應由同一稅務當局向同一應課稅單位徵收，並預期在可予扣減暫時差異預期撥回之同一期間內撥回或在由遞延稅項資產產生之稅務虧損能轉回或轉入之期間內撥回。在評定目前之應課稅暫時差異是否容許確認由未運用之稅務虧損及優惠所產生之遞延稅項資產時採用上述相同之標準，即該等暫時差異由同一稅務當局向同一應課稅單位徵收，並預期在稅務虧損或抵免能動用之期間內撥回方計算在內。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2. 主要會計政策(續)

o) 所得稅(續)

確認遞延稅項資產及負債之有限例外情況包括不可在稅務方面獲得扣減之商譽所引致之暫時差異、首次確認但並不影響會計溢利及應課稅溢利之資產或負債(惟其不可為企業合併之部份)、以及有關於附屬公司投資所引致之暫時差異；如為應課稅差異，只限於本集團可以控制撥回時間，且在可預見將來不大可能撥回之暫時差異或如為可予扣減差異，則只限於可能在未來撥回之差異。

應確認之遞延稅項數額是按照資產及負債賬面值之預期變現或清償方式，以報告期末採用或主要採用之稅率計算。遞延稅項資產及負債均不作貼現計算。

本集團會在每個報告期末評估遞延稅項資產之賬面值。如果不再可能取得足夠之應課稅溢利以運用有關之稅務利益，賬面金額則予以調低。如日後可能取得足夠之應課稅溢利時，已扣減金額則予以撥回。

分派股息所產生之額外所得稅在支付有關股息之責任確認時予以確認。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Income tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

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2. 主要會計政策(續)

o) 所得稅(續)

本期稅項結餘及遞延稅項結餘及其變動，乃各自分開列示及並無相互抵銷。當本集團在法律上擁有抵銷本期稅項資產及本期稅項負債之行使權利及能符合下列額外條件時，本期稅項資產可抵銷本期稅項負債，及遞延稅項資產可抵銷遞延稅項負債：

- 若為本期稅項資產及負債，本集團計劃以淨額清償，或計劃同時變現資產和清償負債；或
- 若為遞延稅項資產及負債，如其與同一稅務當局向下述者徵收之所得稅有關：
 - 同一應課稅單位；或
 - 如為不同之應課稅單位，預期在未來每一個週期將清償或收回顯著數目之遞延稅項負債，或資產及計劃以淨額基準變現本期稅項資產及清償本期稅項負債，或計劃同時變現本期稅項資產及清償本期稅項負債。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Income tax (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2. 主要會計政策(續)

p) 撥備及或然負債

倘若本集團須就已發生之事件承擔法律或推定責任，而履行該責任預期會導致含有經濟效益之資源外流，並可作出可靠之估計，便會計提撥備。如金錢的時間價值重大，則按預計履行責任所需開支之現值計提撥備。

倘若含有經濟效益之資源外流之可能性很低，或是無法對有關款額作出可靠之估計，便會將該責任披露為或然負債；但假如這類資源外流之可能性極低則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否之潛在責任，亦會披露為或然負債；但假如這類資源外流之可能性極低則除外。

q) 收入及其他收入

本集團之收入主要來自於本集團日常業務過程中銷售貨品。收入於產品之控制權轉移至客戶時按本集團預期有權獲取之承諾代價金額予以確認，惟不包括代第三方收取之款項。收入並不包括增值稅或其他銷售稅，並已扣除任何退貨及貿易折扣。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

q) Revenue and other income

The Group's revenue mainly arises from the sale of goods in the ordinary course of the Group's business. Revenue is recognised when control over a product is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value-added tax or other sales taxes and is after deduction of any goods returns and trade discounts.

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2. 主要會計政策(續)

q) 收入及其他收入(續)

如合約中包含為客戶提供超過十二個月的重大融資利益的融資部分，則收入按應收金額的現值計量，並使用貼現率以反映與客戶之單獨融資交易。利息收入按實際利率法單獨計提。如合約包含為本集團提供重大融資利益的融資部分，則根據該合約確認收入包括按實際利率法計算的合約負債所產生的利息費用。本集團採用香港財務報告準則第15號第63段中可行權宜方法，倘融資期為十二個月或以下，則不會就重大融資部分的影響作出調整。

有關本集團收入及其他收入確認政策詳列如下：

i) 銷售貨品

收入於貨品交付至客戶之處所，而客戶接納貨品及所有權相關之風險及回報之時間點確認。客戶對貨品具有絕對酌情權，並無或會影響客戶接納貨品之未達成責任。

本集團於客戶接納貨品及所有權相關風險及回報時確認應收款項，乃由於收取代價之權利於有關時間點變為無條件，僅須待時間過去便可收取付款。當客戶接納已購貨品時，客戶無權退回貨品。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Revenue and other income (Continued)

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customers have accepted the goods and the related risks and rewards of ownership. The customers have full discretion over the goods, and there is no unfulfilled obligation that could affect the customers' acceptance of the goods.

A receivable is recognised by the Group when the customers have accepted the goods and the related risks and rewards of ownership 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. Customers have no right to return the goods purchased once accepted.

2. 主要會計政策(續)

q) 收入及其他收入(續)

ii) 利息收入

利息收入乃利用實際利率法透過將金融工具於預期年期的估計未來現金收入折現為金融資產賬面淨值的利率按應計基準予以確認。就按攤銷成本計量或透過其他全面收益按公平值列賬(可劃轉)且並無出現信貸減值的金融資產而言,則實際利率應用於資產的總賬面值。就出現信貸減值的金融資產而言,實際利率應用於資產的攤銷成本(即扣除虧損撥備的總賬面值)(見附註2(g)(i))。

iii) 政府補助

當有合理保證本集團將會獲得政府補助並遵守有關規定,則政府補助初始於綜合財務狀況表中確認。用以補償本集團開支的補助於該等開支產生的期間於損益內確認為收入。用以補償本集團資產成本的補助於相關資產賬面值中扣除,其後按資產的可使用年期以減少折舊開支方式於損益內實際確認。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Revenue and other income (Continued)

ii) Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 2(g)(i)).

iii) Government grants

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

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2. 主要會計政策(續)

r) 外幣換算

年內外幣換算交易乃按於交易日期通行之匯率換算。以外幣計值之貨幣性資產及負債均按於報告期末通行之匯率換算。匯兌盈虧乃於損益確認。

以歷史成本計量之外幣非貨幣性資產及負債乃按交易日通行之匯率換算。交易日期是本集團最初確認此類非貨幣性資產或負債的日期。以公平值列賬之外幣非貨幣性資產及負債乃以於釐定公平值日期之匯率換算。

海外業務之業績乃按交易日通行之概約匯率換算為港元。財務狀況表項目(包括因合併二零零五年一月一日或之後購入之海外業務之賬目所產生之商譽)則按報告期末通行之匯率收市價換算為港元。匯兌差額於其他全面收益確認，並於匯兌儲備之權益中獨立累計。因合併二零零五年一月一日之前購入之海外業務之賬目所產生之商譽則按收購海外業務當日之適用匯率換算。

於出售海外業務時，與該海外業務有關之匯兌差額累計款項會於確認出售盈虧時由權益重新分類至損益。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the translation reserve. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

2. 主要會計政策(續)**s) 貸款成本**

與購入、建造或生產需經一段長時期準備方可作預期運用或出售之資產直接有關之貸款成本，乃作為該項資產之部份成本撥充資本。其他貸款成本於產生期間內支銷。

貸款成本乃於合格資產之開支產生、貸款成本產生及有關籌備資產作其擬定用途或出售所需之活動進行時，即資本化作為資產之部份成本。當所有有關籌備合格資產作其擬定用途或出售所需之活動大致上中斷或完成時，即暫停或停止資本化貸款成本。

t) 關連人士

(a) 倘若該名人士屬以下情況，則該人士或該人士之家族之近親乃與本集團有關連：

- i) 對本集團擁有控制權或共同控制權；
- ii) 對本集團擁有重大影響力；
或
- iii) 為本集團或本集團之母公司之主要管理人員之成員。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**s) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

t) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- i) has control or joint control over the Group;
- ii) has significant influence over the Group; or
- iii) is a member of the key management personnel of the Group or the Group's parent.

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2. 主要會計政策(續)

t) 關連人士(續)

(b) 倘若以下任何條件適用，則該實體乃與本集團有關連：

- i) 該實體與本集團均為相同集團之成員(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
- ii) 一間實體為另一實體之聯營公司或合營企業(或另一實體為集團旗下成員公司之聯營公司或合營企業之成員公司)。
- iii) 兩間實體均為同一第三方之合營企業。
- iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
- v) 附註2(t)(a)(i)所識別人士對實體擁有重大影響力或屬該實體(或該實體之母公司)之主要管理人員成員。
- vi) 向本集團或本集團母公司提供主要管理人員服務之實體或其所屬集團之任何成員公司。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

t) Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions applies:

- i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii) Both entities are joint ventures of the same third party.
- iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v) A person identified in note 2(t)(a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- vi) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

2. 主要會計政策(續)**t) 關連人士(續)**

該名人士之近親家庭成員為於與該實體進行交易時可能預期影響該名人士或可能被該名人士影響之該等家族成員。

u) 分部報告

綜合財務報表所呈報之經營分部及各分部項目之款項乃於為分配資源予本集團不同業務及地區以及評估該等業務及地區之表現而定期向本集團首席營運決策人提供之財務資料中確認。

就財務報告而言，個別重大經營分部不會合併，惟分部間有類似經濟特點及在產品及服務性質、生產過程性質、客戶種類或類別、用作分銷產品或提供服務之方法以及監管環境性質方面相類似則除外。倘並非個別重大之經營分部符合大部份此等準則，則該等經營分部可能合併處理。

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**t) Related parties (Continued)**

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

u) Segment reporting

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

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

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3. 會計政策之變動

於本年度，本集團於編製綜合財務報表時，已首次應用香港會計師公會（「香港會計師公會」）頒佈並於二零二二年一月一日或之後開始之年度期間強制生效之下列香港財務報告準則之修訂本：

香港財務報告準則 第3號之修訂本	概念框架之提述
香港財務報告準則 第16號之修訂本	二零二一年六月三十日後之Covid-19相關租金優惠
香港會計準則 第16號之修訂本	物業、廠房及設備—擬定用途前之所得款項
香港會計準則 第37號之修訂本	有償合約—履行合約之成本
香港財務報告準則 之修訂本	二零一八年至二零二零年香港財務報告準則年度改進

於本年度應用香港財務報告準則之修訂本對本集團於本年度及過往年度的財務狀況及表現及／或該等綜合財務報表所載之披露並無重大影響。

3. CHANGES IN ACCOUNTING POLICIES

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

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments 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 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.

4. 關鍵會計判斷及估計不確定性之主要來源

a) 估計不確定性之主要來源

於應用附註2所述之本集團會計政策之過程中，管理層已作出若干主要假設，該等假設涉及未來及於報告期末估計不確定性之其他主要來源，該等假設可能存在導致資產及負債之賬面值於下個財政年度作出重大調整之重大風險，有關詳情討論如下。

i) 物業、廠房及設備之可使用年期及剩餘價值

管理層釐定物業、廠房及設備的估計可用年期及有關折舊費用。該估計乃根據類似性質及性能資產的實際可用年期作出。其可能會因為重大技術創新及競爭對手因應行業週期所採取的行動而出現重大變化。如可用年期少於原先估計，管理層會增加折舊費用，或會撤銷或撤減已被棄用或出售在技術上已過時或屬非策略性之資產。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

a) Key sources of estimation uncertainty

In the process of applying the Group's accounting policies which are described in note 2, management has made certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as discussed below.

i) *Useful lives and residual values of property, plant and equipment*

Management determines the estimated useful lives of and related depreciation charges for its property, plant and equipment. This estimate is based on the actual useful lives of assets of similar nature and functions. It could change significantly as a result of significant technical innovations and competitor actions in response to industry cycles. Management will increase the depreciation charges where useful lives are less than previously estimated, or will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

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4. 關鍵會計判斷及估計不確定性之主要來源(續)

a) 估計不確定性之主要來源(續)

ii) 物業、廠房及設備減值之估算

倘有跡象顯示物業、廠房及設備項目之賬面值不能收回，則資產可能視為「已減值」，並按附註2(g)(ii)所述有關物業、廠房及設備減值之本集團會計政策於損益確認減值虧損。資產賬面值會定期進行檢討以評估可收回金額有否降低至低於賬面值。倘有事件或情況轉變顯示資產入賬之賬面值可能無法收回，即會對有關資產進行減值測試。若出現有關減值情況，則會將賬面值減至可收回金額。

可收回金額乃公平值減出售成本與使用價值之較高者。釐定使用價值時，會將資產產生之預期未來現金流量貼現至其現值，此需要對收入水平及經營成本金額作出重大判斷。本集團利用所有可得資料(包括基於合理及有力假設之估計以及對收入水平及經營成本金額之預測)，釐定可收回金額之合理近似金額。該等估計之變動可能對資產賬面值產生重大影響，並可能導致於未來期間之額外減值虧損或撥回減值。於二零二二年十二月三十一日，物業、廠房及設備之賬面值約為164,273,000港元(二零二一年：209,203,000港元)。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

a) Key sources of estimation uncertainty (Continued)

ii) *Estimation of impairment of property, plant and equipment*

If circumstances indicate that the carrying value of an item of the property, plant and equipment may not be recoverable, the asset may be considered "impaired", and an impairment loss may be recognised in profit or loss in accordance with the Group's accounting policy for impairment of property, plant and equipment as described in note 2(g)(ii). The carrying amounts of assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount.

The recoverable amount is the greater of the fair value less costs of disposal and the value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment loss or reversal of impairment in future periods. As at 31 December 2022, the carrying amount of property, plant and equipment is approximately HK\$164,273,000 (2021: HK\$209,203,000).

4. 關鍵會計判斷及估計不確定性之主要來源(續)

a) 估計不確定性之主要來源(續)

iii) 使用權資產減值之估算

本集團根據附註2(g)(ii)所載之本集團會計政策，每年對該等資產是否出現減值進行評估。現金產生單位之可收回金額乃根據使用價值計算而釐定。該等計算需要使用管理層對業務之未來營運作出之估計及假設、稅前貼現率以及其他有關使用價值計算之假設。於二零二二年十二月三十一日，使用權資產之賬面值約為88,741,000港元(二零二一年：100,536,000港元)。

iv) 應收賬款減值之估算

本集團透過評估預期信貸虧損估計應收賬款的減值虧損撥備。這需要運用估計及判斷。預期信貸虧損乃根據跟本集團的過往信貸虧損經驗，就具體債務人的因素作出之調整及於報告期末對當前及預期整體經濟狀況作出的評估得出。倘估計與初始估計出現差異，有關差異將影響應收賬款的賬面值，因此，有關估計期間的減值虧損會出現變動。本集團會在預期期限內持續評估應收賬款的預期信貸虧損。於二零二二年十二月三十一日，應收賬款之賬面值約為476,680,000港元(二零二一年：539,962,000港元)。有關應收賬款減值之詳情於附註21及32(a)披露。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

a) Key sources of estimation uncertainty (Continued)

iii) Estimation of impairment of right-of-use assets

The Group performs annual assessments on whether there has been impairment of these assets in accordance with the Group's accounting policy stated in note 2(g)(ii). The recoverable amounts of cash-generating units are determined based on value in use calculations. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value in use calculations. As at 31 December 2022, the carrying amount of right-of-use assets is approximately HK\$88,741,000 (2021: HK\$100,536,000).

iv) Estimation of impairment of trade receivables

The Group estimates the impairment loss allowances for trade receivables by assessing the ECLs. This requires the use of estimates and judgements. ECLs are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, and an assessment of both the current and forecast general economic conditions at the end of the reporting period. Where the estimation is different from the original estimate, such difference will affect the carrying amount of trade receivables and thus the impairment loss in the period in which such estimate is changed. The Group keeps assessing the expected credit loss of trade receivables during their expected lives. As at 31 December 2022, the carrying amount of trade receivables is approximately HK\$476,680,000 (2021: HK\$539,962,000). Details of the impairment of trade receivables are disclosed in notes 21 and 32(a).

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4. 關鍵會計判斷及估計不確定性之主要來源(續)

a) 估計不確定性之主要來源(續)

v) 存貨之可變現淨值

存貨乃按成本與可變現淨值之較低者列賬。可變現淨值乃根據日常業務過程中之估計售價，減估計完成成本及進行銷售所需之估計成本釐定。該等估計是根據目前市況及製造和銷售同類產品之過往經驗而作出。本公司董事主要根據最近期之發票價格及現時市況估計存貨之可變現淨值。截至二零二二年十二月三十一日止年度，本公司董事按逐項產品基準對存貨進行定期檢討，並撇減存貨約417,000港元(二零二一年：17,704,000港元)及撥回撇減存貨45,000港元(二零二一年：73,000港元)。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

a) Key sources of estimation uncertainty (Continued)

v) *Net realisable value of inventories*

Inventories are stated at the lower of cost and net realisable value. Net realisable value is determined on the basis of the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated cost necessary to make the sale. These estimates are based on the current market conditions and the historical experience of manufacturing and selling products of similar nature. The directors of the Company estimate the net realisable value for inventories based primarily on the latest invoice prices and current market conditions. During the year ended 31 December 2022, the directors of the Company performed periodic review on a product-by-product basis and made a write-down of its inventories of approximately HK\$417,000 (2021: HK\$17,704,000) and a reversal of write-down of inventories of HK\$45,000 (2021: HK\$73,000).

4. 關鍵會計判斷及估計不確定性之主要來源(續)

b) 在應用本集團會計政策時所作之重大會計判斷

在釐定若干資產及負債之賬面值時，本集團就不確定的未來事件對各報告期末資產及負債之影響作出假設。有關估計涉及對現金流量及所用貼現率之假設。本集團根據過往經驗及對未來事件之預計作出估計及假設，並定期檢討。除對未來事件之假設及估計外，本集團在應用會計政策時亦作出判斷。

i) 所得稅及遞延稅項

本集團在香港須繳付所得稅，而在中國須繳付不同稅項。於釐定稅項撥備時須作出重大判斷。於一般業務過程中存有頗多交易及計算，使得最終稅務釐定存在不確定性。本集團根據對是否須繳納額外稅項之估計就預期稅務事宜確認負債。倘上述事宜之最終稅務結果與最初記錄之金額有所不同，有關差額將影響作出有關釐定期間之所得稅及遞延稅項撥備。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

b) Critical accounting judgements in applying the Group's accounting policies

In determining the carrying amounts of certain assets and liabilities, the Group makes assumptions for the effects of uncertain future events on those assets and liabilities at the end of each reporting period. These estimates involve assumptions about such items as cash flows and discount rates used. The Group's estimates and assumptions are based on historical experience and expectations of future events and are reviewed periodically. In addition to assumptions and estimations of future events, judgements are also made during the process of applying the Group's accounting policies.

i) Income taxes and deferred taxation

The Group is subject to income tax in Hong Kong and various taxes in the PRC. Significant judgement is required in determining the provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional tax will be due. 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 tax provisions in the period in which such determination is made.

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4. 關鍵會計判斷及估計不確定性之主要來源(續)

b) 在應用本集團會計政策時所作之重大會計判斷(續)

i) 所得稅及遞延稅項(續)

有關若干暫時差異之遞延稅項資產，乃於管理層認為日後可能有可動用應課稅溢利抵銷暫時差異或稅項虧損之情況下予以確認。倘該項預期有別於原來估計，該等差額將影響更改有關改變估計期間所確認之遞延稅項資產及稅項支出。就此而言，本集團於二零二二年十二月三十一日確認遞延稅項資產約6,813,000港元(二零二一年：6,685,000港元)。

ii) 分派股息所產生之預扣稅

本集團乃根據派付股息的時間判斷釐定是否應計若干附屬公司分派的股息產生的預扣稅(根據相關稅務法例及規定徵收)。本集團認為，倘該等附屬公司於可預見未來將不會分派溢利，則毋須就有關預扣稅提供撥備。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

b) Critical accounting judgements in applying the Group's accounting policies (Continued)

i) *Income taxes and deferred taxation (Continued)*

Deferred tax assets relating to certain temporary differences are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and tax charge in the periods in which such estimate is changed. In this regard, the Group recognised deferred tax assets of approximately HK\$6,813,000 (2021: HK\$6,685,000) as at 31 December 2022.

ii) *Withholding tax arising from distribution of dividends*

The Group's determination as to whether to accrue for withholding tax arising from distribution of dividends from certain subsidiaries according to the relevant tax law and regulations is subject to judgement on the timing of the payment of dividends. The Group considers that if the profits of these subsidiaries will not be distributed in the foreseeable future, then no withholding tax should be provided.

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5. 收入

收入指供應予客戶之貨品銷售價值(不包括增值稅及其他銷售稅項)，並扣除任何退貨及貿易折扣。

來自合約客戶之收入於某時間點確認。來自合約客戶之收入之分析如下：

5. REVENUE

Revenue represents the sales value of goods supplied to customers which excludes value-added and other sales taxes, and is after deduction of any goods returns and trade discounts.

Revenue from contracts with customers are recognised at point in time and the disaggregation of revenue from contracts with customers are as follows:

		稀土分部		耐火分部		總計	
		Rare Earth Segment		Refractory Segment		Total	
		二零二二年	二零二一年	二零二二年	二零二一年	二零二二年	二零二一年
		2022	2021	2022	2021	2022	2021
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
主要產品類別	Types of major products						
銷售稀土產品	Sales of rare earth products						
– 稀土氧化物	– Rare earth oxides	546,615	858,249	–	–	546,615	858,249
銷售耐火產品	Sales of refractory products						
– 耐火材料	– Refractory materials	–	–	205,999	293,092	205,999	293,092
– 鎂砂	– Magnesium grains	–	–	57,799	61,130	57,799	61,130
小計	Sub-total	–	–	263,798	354,222	263,798	354,222
總計	Total	546,615	858,249	263,798	354,222	810,413	1,212,471
地區市場	Geographical markets						
中國	The PRC	531,872	846,306	179,457	291,947	711,329	1,138,253
日本	Japan	14,351	11,936	48,239	41,839	62,590	53,775
歐洲	Europe	–	7	786	2,912	786	2,919
其他	Others	392	–	35,316	17,524	35,708	17,524
總計	Total	546,615	858,249	263,798	354,222	810,413	1,212,471

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5. 收入(續)

有關本集團履約表現之資料

銷售稀土及耐火產品之履約表現於貨品交付至客戶之處所而客戶接納貨品及所有權相關之風險及回報之時間點獲履行。與客戶之交易條款主要以信貸方式，惟新客戶則一般須預付款項。信貸期一般介乎交付後0至180日，而信譽良好之客戶則為最多365日。

預期於日後確認產生自與報告日期現有客戶所訂合約之收入

本集團已將香港財務報告準則第15號第121段的實際權宜手段用於銷售貨品之客戶合約，故此，本集團概不披露有關本集團(在其履行該等合約的餘下履約責任時)將有權獲取的收入之資料，因該等合約均有一年或以下的原有預期期限。

6. 其他收入

5. REVENUE (Continued)

Information about the Group's performance obligation

The performance obligation for sales of rare earth and refractory products is satisfied upon delivery of the goods at the customers' premises which is taken to be the point in time when the customers have accepted the goods and the related risks and rewards of ownership. The trading terms with customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally ranged from 0 to 180 days and up to 365 days for reputable customers upon delivery.

Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its contracts with customers for sales of goods such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under these contracts as these contracts have an original expected duration of one year or less.

6. OTHER INCOME

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
銀行存款利息收入	Interest income from bank deposits	4,872	5,856
政府補助(附註)	Government grants (note)	48	–
		4,920	5,856

附註：截至二零二二年十二月三十一日止年度內，本集團就香港特別行政區政府推出用於支付僱員工資之保就業計劃獲得補貼合共48,000港元(二零二一年：無)。

Note: During the year ended 31 December 2022, the Group was granted subsidies of HK\$48,000 (2021: Nil) in total under the Employment Support Scheme launched by the Government of the Hong Kong Special Administrative Region for the payment of wages of employees.

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7. 其他虧損淨值及其他經營開支

7. OTHER NET LOSS AND OTHER OPERATING EXPENSES

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
其他虧損淨值	Other net loss		
匯兌(虧損)/收益淨額	Net exchange (loss)/gain	(7,925)	1,849
確認下列各項之減值虧損淨額：	Net impairment losses recognised on:		
— 應收賬款	— trade receivables	(15,244)	(5,529)
— 其他應收款	— other receivables	(44)	(1,664)
出售物業、廠房及設備之 收益淨額	Net gain on disposal of property, plant and equipment	397	327
終止租賃之收益	Gain on termination of a lease	—	164
其他	Others	152	(747)
		(22,664)	(5,600)
其他經營開支	Other operating expenses		
土壤污染修復工程成本(附註)	Cost of remedial works for soil pollution (note)	(326,412)	—

附註：截至二零二二年十二月三十一日止年度，於當地政府於年內實施新的環境保護規例後，本集團對宜興新威利成稀土有限公司(於宜興成立之附屬公司)廠區及其周邊地區之土壤及地下水進行環境調查。根據報告，相關土壤之若干污染物已超標，需要進行若干維護工作。獨立第三方已進行補救工程，包括清除污染土壤、維護工程及安全檢查，並已於二零二二年十二月完成，而當地政府部門對結果感到滿意。因此，於截至二零二二年十二月三十一日止年度期間確認相關成本約326,412,000港元為其他經營開支。

Note: During the year ended 31 December 2022, the Group conducted an environmental investigation on the soil and groundwater at the area of the factory of Yixing Xinwei Leeshing Rare Earth Company Limited, a subsidiary established at Yixing, and its surrounding area upon the implementation of the new environmental protection regulations by the local government in the year. It was reported that certain excessive pollutants on the related soil was noted and certain maintenance works was necessary. Remedial works including removal of polluted soil, maintenance works and safety check were carried out by an independent third party and completed in December 2022 and the local government authority was satisfied with the results. As such, the related cost at approximately HK\$326,412,000 was recognised as other operating expenses during the year ended 31 December 2022.

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8. 除稅前(虧損)/溢利

除稅前(虧損)/溢利已扣除下列各項：

8. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging:

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
a) 財務成本	a) Finance costs		
貼現票據之利息	Interest on discounted bills	218	321
租賃負債之利息	Interest on lease liabilities	79	134
		297	455
b) 員工成本(包括附註10 所載之董事酬金)#	b) Staff costs (including directors' remuneration in note 10)#		
薪金及工資	Salaries and wages	33,059	36,264
權益結算以股份為基礎之 付款開支(附註28)	Equity-settled share-based payment expenses (note 28)	959	–
退休福利計劃供款 (附註12)	Retirement benefits scheme contributions (note 12)	2,362	2,485
		36,380	38,749
c) 其他項目	c) Other items		
核數師酬金	Auditor's remuneration		
– 審核服務	– audit services	2,410	2,410
– 其他服務	– other services	575	575
		2,985	2,985
存貨成本(附註20(b))#	Cost of inventories (note 20(b))#	809,297	1,126,488
物業、廠房及設備之折舊#	Depreciation of property, plant and equipment#	34,744	31,457
使用權資產之折舊#	Depreciation of right-of-use assets#	3,551	4,181

截至二零二二年十二月三十一日止年度內，存貨成本包括有關員工成本、物業、廠房及設備折舊以及使用權資產折舊約54,086,000港元(二零二一年：51,093,000港元)，有關款項亦已就各類別費用計入上文獨立披露之總額內。

During the year ended 31 December 2022, cost of inventories included approximately HK\$54,086,000 (2021: HK\$51,093,000) relating to staff costs, depreciation of property, plant and equipment and depreciation of right-of-use assets which amounts were also included in the respective total amounts disclosed separately above for each of these types of expenses.

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9. 綜合損益表內之所得稅

a) 綜合損益表內之所得稅指：

9. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

a) Income tax in the consolidated statement of profit or loss represents:

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
本期稅項－中國企業所得稅	Current tax – PRC Enterprise Income Tax		
本年度撥備(附註25(a))	Provision for the year (note 25(a))	(2,456)	(4,497)
遞延稅項	Deferred taxation		
暫時性差異之產生及撥回 (附註25(b))	Origination and reversal of temporary differences (note 25(b))	725	1,850
所得稅支出	Income tax charge	(1,731)	(2,647)

本公司及其附屬公司分別於開曼群島及英屬處女群島註冊成立，根據彼等各自註冊成立國家之規則及規定，毋須繳付任何所得稅。

由於截至二零二二年及二零二一年十二月三十一日止年度於香港產生之估計應評稅溢利被結轉之累計稅項虧損所抵銷，因此並無就該年度之香港利得稅計提撥備。

截至二零二二年及二零二一年十二月三十一日止年度內，中國企業所得稅乃根據本公司於中國成立之附屬公司之估計應評稅溢利按法定所得稅率25%計算。

The Company and its subsidiaries incorporated in the Cayman Islands and the British Virgin Islands, respectively, are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

No provision for Hong Kong Profits Tax was made for the years ended 31 December 2022 and 2021 as the estimated assessable profits arising in Hong Kong for the year were offset with the accumulated tax losses brought forward.

PRC Enterprise Income Tax is calculated at the statutory income tax rate of 25% on the estimated assessable profits of the Company's subsidiaries established in the PRC during the years ended 31 December 2022 and 2021.

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9. 綜合損益表內之所得稅(續)

a) (續)

中國企業所得稅法亦規定自二零零八年一月一日起中國附屬公司向其海外(包括香港)股東分派溢利時須按5%或10%稅率繳納預扣稅。

根據中國有關稅務法例及規例，宜興新威利成耐火材料有限公司(「利成耐火」)獲分類為外商投資之「高新技術企業」，由二零一九年一月一日起三年期間可享有優惠所得稅率15%。

b) 所得稅支出與會計(虧損)/溢利之間按適用稅率計算之對賬如下：

9. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

a) (Continued)

The PRC Enterprise Income Tax Law also requires withholding tax of 5% or 10% upon distribution of profits by the PRC subsidiaries since 1 January 2008 to its overseas (including Hong Kong) shareholders.

Pursuant to the relevant tax laws and regulations in the PRC, Yixing Xinwei Leeshing Refractory Materials Company Limited ("Leeshing Refractory") is classified as foreign invested "New and High Technology Enterprises" and is entitled to a preferential income tax rate of 15% for a period of three years from 1 January 2019.

b) Reconciliation between income tax charge and accounting (loss)/profit at applicable tax rates is as follows:

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
除稅前(虧損)/溢利	(Loss)/profit before taxation	(391,946)	28,083
除稅前溢利按各稅務司法權區適用法定稅率計算之名義稅項	Notional tax on profit before taxation, calculated at statutory tax rates applicable to the respective tax jurisdictions concerned	(100,380)	9,998
不可抵扣支出之稅務影響	Tax effect of non-deductible expenses	2,076	2,210
毋須課稅收入之稅務影響	Tax effect of non-taxable income	-	(5,452)
未確認稅務虧損之稅務影響	Tax effect of tax losses not recognised	101,054	298
未確認暫時差異之稅務影響	Tax effect of temporary differences not recognised	1,446	122
動用先前未確認稅務虧損之稅務影響	Tax effect of utilisation of tax losses previously not recognised	(153)	(2,057)
中國附屬公司獲授優惠稅率之稅務影響	Tax effect of concessionary tax rate granted to a PRC subsidiary	-	(2,472)
稅率變動之稅務影響	Tax effect on change in tax rate	(2,312)	-
所得稅支出	Income tax charge	1,731	2,647

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10. 董事酬金

根據公司條例第383(1)條及公司(披露董事利益資料)規例第2部披露的董事酬金如下：

10. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the CO and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

		二零二二年 2022				
董事袍金		薪金、津貼及 實物福利	酌情花紅	退休福利 計劃供款	以股份為 基礎之付款	總計
Directors' fees		Salaries, allowances and benefit- in-kind	Discretionary bonus	Retirement scheme contributions	Share- based payments	Total
千港元		千港元	千港元	千港元	千港元	千港元
HK\$'000		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
執行董事	Executive directors					
錢元英女士(附註(i))	Ms. Qian Yuanying (note (i))	-	1,099	-	-	1,099
蔣泉龍先生	Mr. Jiang Quanlong	-	1,430	-	-	1,430
蔣大偉先生(附註(ii))	Mr. Jiang Dawei (note (ii))	-	205	-	9	214
蔣才南先生	Mr. Jiang Cainan	-	317	-	-	317
		-	3,051	-	9	3,060
獨立非執行董事	Independent non-executive directors					
黃春華先生	Mr. Huang Chunhua	72	-	-	-	72
金重先生	Mr. Jin Zhong	42	-	-	-	42
竇學宏先生	Mr. Dou Xuehong	70	-	-	-	70
		184	-	-	-	184
總計	Total	184	3,051	-	9	3,244

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10. 董事酬金 (續)

10. DIRECTORS' EMOLUMENTS (Continued)

		二零二一年 2021				
董事袍金	薪金、津貼及 實物福利 Salaries, allowances and benefit- in-kind	酌情花紅 Discretionary bonus	退休福利 計劃供款 Retirement scheme contributions	以股份為 基礎之付款 Share- based payments	總計 Total	
Directors' fees	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	
執行董事	Executive directors					
錢元英女士(附註(i))	Ms. Qian Yuanying (note (i))	-	1,098	-	-	1,098
蔣泉龍先生	Mr. Jiang Quanlong	-	1,430	-	-	1,430
蔣大偉先生(附註(ii))	Mr. Jiang Dawei (note (ii))	-	205	-	8	213
蔣才南先生	Mr. Jiang Cainan	-	465	-	-	465
		-	3,198	-	8	3,206
獨立非執行董事	Independent non-executive directors					
黃春華先生	Mr. Huang Chunhua	72	-	-	-	72
金重先生	Mr. Jin Zhong	44	-	-	-	44
實學宏先生	Mr. Dou Xuehong	54	-	-	-	54
王國珍先生(附註(iii))	Mr. Wang Guozhen (note (iii))	-	-	-	-	-
		170	-	-	-	170
總計	Total	170	3,198	-	8	3,376

附註：

- (i) 錢元英女士亦為本公司之主席。
- (ii) 蔣大偉先生亦為本公司之行政總裁。
- (iii) 王國珍先生於二零二一年一月四日辭世。

Notes:

- (i) Ms. Qian Yuanying is also the Chairman of the Company.
- (ii) Mr. Jiang Dawei is also the Chief Executive Officer of the Company.
- (iii) Mr. Wang Guozhen passed away on 4 January 2021.

截至二零二二年及二零二一年十二月三十一日止年度內，概無董事向本集團收取任何酬金，作為鼓勵加入本集團或加入本集團時之獎勵或離職補償。於該兩個年度，概無董事放棄或同意放棄任何酬金。

During the years ended 31 December 2022 and 2021, no director received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office. No director has waived or agreed to waive any emoluments during both years.

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11. 最高薪人士及高級管理人員酬金

a) 五名最高薪人士

截至二零二二年十二月三十一日止年度，本集團五名最高薪人士中，其中兩名（二零二一年：三名）為本公司董事，其酬金於附註10披露。其餘三名（二零二一年：兩名）最高薪人士之酬金總額如下：

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
薪金及其他酬金	Salaries and other emoluments	2,152	1,805
酌情花紅	Discretionary bonus	-	-
退休福利計劃供款	Retirement benefits scheme contributions	161	135
以股份為基礎之付款	Share-based payments	120	-
		2,433	1,940

其餘三名（二零二一年：兩名）最高薪人士之酬金介乎於下列範圍：

		二零二二年 2022 人數 Number of individuals	二零二一年 2021 人數 Number of individuals
範圍：	Bands:		
零 – 1,000,000港元	Nil – HK\$1,000,000	2	1
1,000,001港元 – 1,500,000港元	HK\$1,000,001 – HK\$1,500,000	1	1
		3	2

11. INDIVIDUALS WITH HIGHEST EMOLUMENTS AND SENIOR MANAGEMENT'S EMOLUMENTS

a) Five highest paid individuals

During the year ended 31 December 2022, out of the five highest paid individuals in the Group, two (2021: three) are directors of the Company whose emoluments are disclosed in note 10. The aggregate emoluments in respect of the remaining three (2021: two) highest paid individuals are as follows:

The emoluments of the remaining three (2021: two) highest paid individuals are within the following band:

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11. 最高薪人士及高級管理人員酬金(續)

a) 五名最高薪人士(續)

截至二零二二年及二零二一年十二月三十一日止年度，本集團並無向五位最高薪人士支付或應付任何酬金，作為鼓勵其加入或於加入本集團時的報酬或離職補償。

b) 高級管理人員酬金

已付或應付予高級管理人員(不包括董事)(包括上文所披露之三名(二零二一年：兩名)最高薪人士)之酬金介乎於下列範圍：

範圍：	Bands:
零 – 1,000,000港元	Nil – HK\$1,000,000
1,000,001港元 – 1,500,000港元	HK\$1,000,001 – HK\$1,500,000

截至二零二二年十二月三十一日止年度期間，並無高級管理人員辭任(二零二一年：無)。

11. INDIVIDUALS WITH HIGHEST EMOLUMENTS AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

a) Five highest paid individuals (Continued)

No emoluments were paid or payable by the Group to the five highest paid individuals as inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2022 and 2021.

b) Senior management's emoluments

The emoluments paid or payable to senior management, excluding the directors, (including three (2021: two) highest paid individuals as disclosed above) are within the following bands:

	二零二二年 2022 人數 Number of individuals	二零二一年 2021 人數 Number of individuals
	4	4
	1	1
	5	5

During the year ended 31 December 2022, no individual of senior management resigned (2021: Nil).

12. 僱員退休福利

如中國有關規則及條例的規定，本公司於中國成立之附屬公司須為其全體僱員根據僱員基本薪金的若干百分比參與國家資助退休計劃（一項界定供款退休金計劃）。僱員退休後的生活津貼由國家資助退休計劃負責支付。該等附屬公司除每年供款外，毋須支付實際退休金，亦毋須負責僱員的退休後福利。截至二零二二年十二月三十一日止年度，退休計劃供款額約為2,221,000港元（二零二一年：2,344,000港元）。該計劃供款即時歸屬。

本集團自二零零零年十二月一日起已參與強制性公積金計劃（「強積金計劃」）。該計劃為界定供款退休金計劃。本集團每月按僱員基本薪金若干百分比向該計劃供款。截至二零二二年十二月三十一日止年度，本集團向強積金計劃供款約141,000港元（二零二一年：141,000港元）。強積金的資產與本集團的資產分開持有，並由獨立專業基金經理管理。該計劃供款按時歸屬。

截至二零二二年及二零二一年十二月三十一日止年度，本集團於中國之退休福利計劃及於香港之強積金計劃項下並無沒收供款可用作減少聯交所證券上市規則附錄16第26(2)段所述現有供款水平。

13. 股息

本公司董事不建議派付截至二零二二年十二月三十一日止年度之股息（二零二一年：無）。

12. EMPLOYEE RETIREMENT BENEFITS

As stipulated by the relevant rules and regulations in the PRC, the Company's subsidiaries established in the PRC are required to participate in a state-sponsored retirement plan, which is a defined contribution pension scheme, for all of their employees based on certain percentages of the employees' basic salaries. The state-sponsored retirement plan is responsible for the entire pension obligations payable to retired employees and these subsidiaries have no further obligations for the actual pension payments or other post-retirement benefits beyond the annual contributions. For the year ended 31 December 2022, the retirement plan contribution amounted to approximately HK\$2,221,000 (2021: HK\$2,344,000). Contributions to the plan vest immediately.

The Group has participated in Mandatory Provident Fund Scheme ("MPF Scheme"), which is a defined contribution pension scheme, since 1 December 2000. The Group makes monthly contribution to the scheme based on certain percentage of the employees' basic salaries. For the year ended 31 December 2022, the Group's contributions to the MPF Scheme were approximately HK\$141,000 (2021: HK\$141,000). The assets of the fund are held separately from the Group and are managed by independent professional fund managers. Contributions to the scheme vest progressively.

During the years ended 31 December 2022 and 2021, the Group had no forfeited contributions under its retirement benefit scheme in the PRC and under the MPF Scheme in Hong Kong which may be used to reduce the existing level of contributions as described in paragraph 26(2) of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

13. DIVIDENDS

The directors of the Company do not recommend the payment of a dividend for the year ended 31 December 2022 (2021: Nil).

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14. 每股(虧損)/盈利

每股基本(虧損)/盈利

本公司擁有人之每股基本(虧損)/盈利乃根據下列數據計算：

14. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share

The calculation of the basic (loss)/earnings per share to owners of the Company is based on the following data:

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
計算每股基本(虧損)/盈利之 本公司擁有人應佔本年度 (虧損)/溢利	(Loss)/profit for the year attributable to owners of the Company for the purpose of calculating basic (loss)/earnings per share	(373,296)	24,274
		股份數目 Number of shares	
		二零二二年 2022 千股 '000	二零二一年 2021 千股 '000
計算每股基本(虧損)/盈利之 普通股份加權平均數	Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	2,341,700	2,341,700

每股攤薄(虧損)/盈利

由於截至二零二二年十二月三十一日止年度行使本公司尚未行使購股權具有反攤薄影響，因此每股攤薄虧損與每股基本虧損相同。

由於截至二零二一年十二月三十一日止年度本公司並無尚未行使之潛在攤薄普通股，因此每股攤薄盈利與每股基本盈利相同。

Diluted (loss)/earnings per share

Diluted loss per share equals to the basic loss per share as the exercise of the Company's outstanding share options would have anti-dilutive effect during the year ended 31 December 2022.

Diluted earnings per share equals to the basic earnings per share as the Company has no potential dilutive ordinary shares outstanding during the year ended 31 December 2021.

15. 分部報告

本集團按業務性質劃分分部及進行管理。於採納香港財務報告準則第8號「經營分部」及與向被確認為本集團首席營運決策人（「首席營運決策人」）之行政總裁內部呈報用以資源分配及表現評估之資料一致，本集團呈列了兩個呈報分部。並無合併經營分部以形成下列呈報分部：

稀土：製造及銷售稀土產品

耐火：製造及銷售耐火產品

a) 分部業績、資產及負債

就評估分部表現及分部間分配資源而言，本集團之首席營運決策人按照下列基準監察各個呈報分部應佔之業績、資產及負債：

分部資產包括所有有形及無形資產及流動資產，但不包括遞延稅項資產、可收回稅項、未分配現金及現金等值項目以及未分配至個別呈報分部之其他企業資產。分部負債包括個別分部之製造及銷售活動應佔之應付賬款及其他應付款以及租賃負債。

15. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines. On adoption of HKFRS 8 “Operating segments”, and in a manner consistent with the way in which information is reported internally to the Chief Executive Officer, who has been identified as the Group’s chief operating decision maker (“CODM”), for the purposes of resource allocation and performance assessment, the Group has presented two reportable segments. No operating segments have been aggregated to form the following reportable segments:

Rare earth: Manufacture and sales of rare earth products

Refractory: Manufacture and sales of refractory products

a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group’s CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible and intangible assets, and current assets with the exception of deferred tax assets, tax recoverable, unallocated cash and cash equivalents, and other corporate assets which are unallocated to an individual reportable segment. Segment liabilities include trade and other payables, and lease liabilities attributable to the manufacturing and sales activities of the individual segments.

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15. 分部報告 (續)

a) 分部業績、資產及負債 (續)

收入及開支乃經參考呈報分部之銷售額及開支或該等分部應佔資產之折舊或攤銷所引致之開支，分配至該等分部。

呈報分部溢利／(虧損)所使用之計量方法為「經調整扣除利息、稅項、折舊及攤銷前溢利」(「經調整EBITDA」)。為計算經調整EBITDA，本集團之溢利／(虧損)會就並非特定個別呈報分部應佔之項目作出進一步調整，如董事酬金、核數師酬金及其他未分配企業開支。

除獲得有關經調整EBITDA之分部資料外，本集團首席營運決策人亦獲提供有關收入(包括分部間銷售)、折舊、攤銷、由分部直接管理之銀行結餘及借貸之利息收入及開支、減值虧損、出售物業、廠房及設備之收益／(虧損)及分部於營運中所使用之非流動分部資產添置之分部資料。分部間銷售參考就同類訂單收取外部第三方之價格訂價。

15. SEGMENT REPORTING (Continued)

a) Segment results, assets and liabilities (Continued)

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit/(loss) is "adjusted profit before interest, taxes, depreciation and amortisation" ("Adjusted EBITDA"). To arrive at the Adjusted EBITDA, the Group's profit/(loss) further adjusted for items not specifically attributed to an individual reportable segment, such as directors' emoluments, auditor's remuneration and other unallocated corporate expenses.

In addition to the receiving of segment information concerning the Adjusted EBITDA, the Group's CODM is provided with segment information concerning revenue (including inter-segment sales), depreciation, amortisation, interest income and expenses from bank balances and borrowings managed directly by the segments, impairment losses, gain/(loss) on disposal of property, plant and equipment and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

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15. 分部報告(續)

a) 分部業績、資產及負債(續)

年內，就提供予本集團首席營運決策人用作分配資源及評估分部表現之本集團呈報分部資料載列如下：

15. SEGMENT REPORTING (Continued)

a) Segment results, assets and liabilities (Continued)

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the year is as follows:

		稀土		耐火		總計	
		二零二二年	二零二一年	二零二二年	二零二一年	二零二二年	二零二一年
		2022	2021	2022	2021	2022	2021
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
來自對外客戶之收入	Revenue from external customers	546,615	858,249	263,798	354,222	810,413	1,212,471
分部間收入	Inter-segment revenue	-	-	-	-	-	-
呈報分部收入	Reportable segment revenue	546,615	858,249	263,798	354,222	810,413	1,212,471
呈報分部(虧損)/溢利 (經調整EBITDA)	Reportable segment (loss)/profit (Adjusted EBITDA)	(370,062)	34,129	22,810	35,637	(347,252)	69,766
利息收入	Interest income	1,942	2,379	2,929	3,477	4,871	5,856
財務成本	Finance costs	-	-	218	321	218	321
物業、廠房及設備 之折舊	Depreciation of property, plant and equipment	(17,061)	(16,779)	(17,612)	(14,597)	(34,673)	(31,376)
使用權資產之折舊	Depreciation of right-of-use assets	(1,706)	(1,759)	(1,476)	(1,522)	(3,182)	(3,281)
(確認)/撥回下列各項 之減值虧損淨額：	Net impairment loss (recognised)/ reversed on:						
- 應收賬款	- trade receivables	(10,440)	(7,185)	(4,804)	1,656	(15,244)	(5,529)
- 其他應收款	- other receivables	2	(37)	(46)	(1,627)	(44)	(1,664)
出售物業、廠房及設備 之(虧損)/收益	(Loss)/gain on disposal of property, plant and equipment	(269)	341	667	2	398	343
呈報分部資產	Reportable segment assets	1,016,066	1,507,251	1,776,121	1,958,701	2,792,187	3,465,952
添置非流動 分部資產：	Additions to non-current segment assets:						
- 物業、廠房及設備	- Property, plant and equipment	562	28,655	6,395	61,334	6,957	89,989
呈報分部負債	Reportable segment liabilities	402,141	435,890	103,589	128,128	505,730	564,018

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15. 分部報告(續)

b) 呈報分部收入、溢利或虧損、資產及負債之對賬

15. SEGMENT REPORTING (Continued)

b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
收入	Revenue		
呈報分部收入	Reportable segment revenue	810,413	1,212,471
撇銷分部間收入	Elimination of inter-segment revenue	–	–
綜合收入	Consolidated revenue	810,413	1,212,471
溢利或虧損	Profit or loss		
呈報分部(虧損)/溢利	Reportable segment (loss)/profit	(347,252)	69,766
撇銷分部間溢利或虧損	Elimination of inter-segment profit or loss	–	–
來自本集團對外客戶之 呈報分部(虧損)/溢利	Reportable segment (loss)/profit derived from Group's external customers	(347,252)	69,766
利息收入	Interest income	4,872	5,856
物業、廠房及設備之折舊	Depreciation of property, plant and equipment	(34,744)	(31,457)
使用權資產之折舊	Depreciation of right-of-use assets	(3,551)	(4,181)
財務成本	Finance costs	(297)	(455)
未分配企業開支	Unallocated corporate expenses	(10,974)	(11,446)
綜合除稅前(虧損)/溢利	Consolidated (loss)/profit before taxation	(391,946)	28,083
所得稅支出	Income tax charge	(1,731)	(2,647)
綜合除稅後(虧損)/溢利	Consolidated (loss)/profit after taxation	(393,677)	25,436

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15. 分部報告(續)

- b) 呈報分部收入、溢利或虧損、資產及負債之對賬(續)

15. SEGMENT REPORTING (Continued)

- b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities (Continued)

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
資產	Assets		
呈報分部資產	Reportable segment assets	2,792,187	3,465,952
撇銷分部間應收款	Elimination of inter-segment receivables	(392,314)	(429,155)
		2,399,873	3,036,797
未分配現金及現金等值項目	Unallocated cash and cash equivalents	73	615
未分配企業資產	Unallocated corporate assets	1,960	2,100
遞延稅項資產	Deferred tax assets	6,813	6,685
可收回稅項	Tax recoverable	911	808
綜合資產總值	Consolidated total assets	2,409,630	3,047,005
負債	Liabilities		
呈報分部負債	Reportable segment liabilities	505,730	564,018
撇銷分部間應付款	Elimination of inter-segment payables	(392,314)	(429,155)
		113,416	134,863
未分配企業負債	Unallocated corporate liabilities	17,234	16,978
應付稅項	Tax payable	2,544	4,916
綜合負債總值	Consolidated total liabilities	133,194	156,757

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15. 分部報告(續)

c) 地區資料

i) 來自對外客戶之收入

下表載列有關本集團來自對外客戶之收入所在地區的資料。客戶所在地區按貨品付運地點劃分。

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
中國(註冊地點)	The PRC (place of domicile)	711,329	1,138,253
日本	Japan	62,590	53,775
歐洲	Europe	786	2,919
其他	Others	35,708	17,524
		99,084	74,218
		810,413	1,212,471

ii) 特定非流動資產

本集團之特定非流動資產，包括物業、廠房及設備、使用權資產及商譽。

該等特定非流動資產之地區位置乃根據(i)資產實際所在地點(就物業、廠房及設備及使用權資產而言)；及(ii)所分配之營運所在地點(就商譽而言)劃分。

15. SEGMENT REPORTING (Continued)

c) Geographical information

i) Revenue from external customers

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the goods were delivered.

ii) Specified non-current assets

The Group's specified non-current assets comprise property, plant and equipment, right-of-use assets and goodwill.

The geographical location of these specified non-current assets is based on (i) the physical location of the assets, in the case of property, plant and equipment, and right-of-use assets and (ii) the location of the operation to which they are allocated, in the case of goodwill.

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15. 分部報告(續)

c) 地區資料(續)

ii) 特定非流動資產(續)

該等特定非流動資產之地區位置
載列如下：

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
中國(註冊地點)	The PRC (place of domicile)	251,596	307,882
香港	Hong Kong	1,418	1,857
		253,014	309,739

d) 有關主要客戶之資料

來自個別對外客戶之收入佔本集團總
收入10%或以上如下：

		稀土 Rare earth		耐火 Refractory		總計 Total	
		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000	二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
客戶A	Customer A	173,893	-	-	-	173,893	-*
客戶B	Customer B	89,235	277,098	-	-	89,235	277,098
客戶C	Customer C	87,358	327,228	-	-	87,358	327,228
客戶D	Customer D	-	-	-	125,938	-*	125,938

* 相關收入並未佔本集團於各報告期
間收入總額之10%或以上。

15. SEGMENT REPORTING (Continued)

c) Geographical information (Continued)

ii) Specified non-current assets (Continued)

The geographical locations of these specified
non-current assets are set out below:

d) Information about major customers

Revenue from external customers individually
contributing 10% or more of the Group's total revenue is
as follows:

* The corresponding revenue did not contribute 10% or
more of the Group's total revenue for the respective
reporting period.

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16. 商譽

16. GOODWILL

千港元
HK\$'000

成本	Cost	
於二零二一年一月一日	At 1 January 2021	214,608
匯兌差異	Exchange differences	2,292
於二零二一年十二月三十一日 及二零二二年一月一日	At 31 December 2021 and 1 January 2022	216,900
匯兌差異	Exchange differences	(6,810)
於二零二二年十二月三十一日	At 31 December 2022	210,090
累計減值	Accumulated impairment	
於二零二一年一月一日	At 1 January 2021	214,608
匯兌差異	Exchange differences	2,292
於二零二一年十二月三十一日 及二零二二年一月一日	At 31 December 2021 and 1 January 2022	216,900
匯兌差異	Exchange differences	(6,810)
於二零二二年十二月三十一日	At 31 December 2022	210,090
賬面值	Carrying amount	
於二零二二年及 二零二一年十二月三十一日	At 31 December 2022 and 2021	-

收購下列附屬公司之全部股權所產生之商譽指收購成本超過本集團於收購日期所收購可識別資產及負債之公平值權益之款項：

The goodwill arising from the acquisition of equity interests in the following subsidiaries represented the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities acquired at the date of acquisition:

16. 商譽(續)

16. GOODWILL (Continued)

附屬公司名稱 Name of subsidiary	收購日期 Date of acquisition	分部 Segment	主要業務 Principal activities
無錫新威高溫陶瓷有限公司(「高溫陶瓷」) Wuxi Xinwei High Temperature Ceramics Co., Ltd. (“High Temperature Ceramics”)	二零零四年 一月二十九日 29 January 2004	耐火分部 Refractory segment	製造及銷售高溫陶瓷產品 Manufacturing and sales of high temperature ceramics products
海城市蘇海鎂礦有限公司(「蘇海鎂礦」) Haicheng City Suhai Magnesium Ore Co., Ltd. (“Suhai Magnesium”)	二零零五年 十二月二十三日 23 December 2005	耐火分部 Refractory segment	製造及銷售鎂砂產品 Manufacturing and sales of magnesium products

收購高溫陶瓷及蘇海鎂礦之股權所產生之商譽已於以往年度全數減值。

The goodwill arising from the acquisition of equity interests in High Temperature Ceramics and Suhai Magnesium has been fully impaired in previous years.

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17. 物業、廠房及設備

17. PROPERTY, PLANT AND EQUIPMENT

		持作 自用樓宇 Buildings held for own use 千港元 HK\$'000	機器及設備 Machinery and equipment 千港元 HK\$'000	辦公室設備 及裝置 Office equipment and fixtures 千港元 HK\$'000	汽車 Motor vehicles 千港元 HK\$'000	在建工程 Construction- in-progress 千港元 HK\$'000	總值 Total 千港元 HK\$'000
成本	Cost						
於二零二一年一月一日	At 1 January 2021	252,093	648,301	4,181	15,475	4,226	924,276
添置	Additions	195	318	216	765	88,710	90,204
處置	Disposal	-	(19,816)	(304)	(8,230)	-	(28,350)
由在建工程轉入	Transfer from construction-in-progress	-	48,003	-	-	(48,003)	-
匯兌差異	Exchange differences	7,403	19,448	110	344	722	28,027
於二零二一年 十二月三十一日及 二零二二年一月一日	At 31 December 2021 and 1 January 2022	259,691	696,254	4,203	8,354	45,655	1,014,157
添置	Additions	463	1,789	22	351	4,332	6,957
處置	Disposal	-	(18,988)	(976)	(742)	-	(20,706)
由在建工程轉入	Transfer from construction-in-progress	-	47,965	-	-	(47,965)	-
匯兌差異	Exchange differences	(22,027)	(60,304)	(287)	(691)	(2,022)	(85,331)
於二零二二年 十二月三十一日	At 31 December 2022	238,127	666,716	2,962	7,272	-	915,077

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17. 物業、廠房及設備(續)

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

		持作 自用樓宇 Buildings held for own use 千港元 HK\$'000	機器及設備 Machinery and equipment 千港元 HK\$'000	辦公室設備 及裝置 Office equipment and fixtures 千港元 HK\$'000	汽車 Motor vehicles 千港元 HK\$'000	在建工程 Construction- in-progress 千港元 HK\$'000	總值 Total 千港元 HK\$'000
累計折舊及減值	Accumulated depreciation and impairment						
於二零二一年一月一日	At 1 January 2021	218,884	541,364	4,062	14,524	-	778,834
本年度計提	Charge for the year	7,179	23,968	95	215	-	31,457
處置撥回	Written back on disposal	-	(19,814)	(288)	(8,136)	-	(28,238)
匯兌差異	Exchange differences	6,530	15,952	109	310	-	22,901
於二零二一年 十二月三十一日及 二零二二年一月一日	At 31 December 2021 and 1 January 2022	232,593	561,470	3,978	6,913	-	804,954
本年度計提	Charge for the year	5,189	29,206	90	259	-	34,744
處置撥回	Written back on disposal	-	(18,988)	(975)	(111)	-	(20,074)
匯兌差異	Exchange differences	(19,931)	(48,012)	(284)	(593)	-	(68,820)
於二零二二年 十二月三十一日	At 31 December 2022	217,851	523,676	2,809	6,468	-	750,804
賬面值	Carrying amount						
於二零二二年 十二月三十一日	At 31 December 2022	20,276	143,040	153	804	-	164,273
於二零二一年 十二月三十一日	At 31 December 2021	27,098	134,784	225	1,441	45,655	209,203

附註：

Notes:

- (i) 於二零二二年及二零二一年十二月三十一日，持作自用樓宇乃位於中國根據中期租賃持有之土地。
- (ii) 於二零二二年十二月三十一日，賬面總額約零港元（二零二一年：1,000港元）之若干樓宇已抵押予一家銀行作為銀行融資之抵押品。

- (i) As at 31 December 2022 and 2021, the buildings held for own use were situated on lands held under medium-term leases in the PRC.
- (ii) As at 31 December 2022, certain buildings with aggregate carrying amount of zero (2021: HK\$1,000) were pledged to a bank as collateral for banking facilities.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至二零二二年十二月三十一日止年度 For the year ended 31 December 2022

18. 使用權資產

18. RIGHT-OF-USE ASSETS

		租賃土地 Leasehold lands 千港元 HK\$'000	租賃物業 Leased properties 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零二一年一月一日	At 1 January 2021	99,290	3,183	102,473
添置	Additions	–	1,842	1,842
重新評估	Reassessment	–	(2,464)	(2,464)
年內折舊計提(附註(i))	Depreciation charge for the year (note (i))	(3,282)	(899)	(4,181)
匯兌差異	Exchange differences	2,866	–	2,866
於二零二一年 十二月三十一日及 二零二二年一月一日	At 31 December 2021 and 1 January 2022	98,874	1,662	100,536
年內折舊計提(附註(i))	Depreciation charge for the year (note (i))	(3,182)	(369)	(3,551)
匯兌差異	Exchange differences	(8,244)	–	(8,244)
於二零二二年 十二月三十一日	At 31 December 2022	87,448	1,293	88,741

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18. 使用權資產(續)

18. RIGHT-OF-USE ASSETS (Continued)

		二零二二年	二零二一年
		2022	2021
		千港元	千港元
		HK\$'000	HK\$'000
償付租賃負債	Settlement of lease liabilities	432	949
短期租賃及租期於首次應用香港財務報告準則第16號日期起計12個月內結束之其他租賃相關開支	Expenses relating to short-term leases and other leases with lease terms end within 12 months of the date of initial application of HKFRS 16	935	964
租賃之現金流出總額	Total cash outflows for leases	1,367	1,913

使用權資產按直線基準於其估計可使用年期及租賃期(以較短者為準)內計提折舊。

The right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful lives and the lease terms.

於二零二二年及二零二一年十二月三十一日，租賃土地位於中國以中期租賃持有。

As at 31 December 2022 and 2021, leasehold lands were located in the PRC with medium-term leases.

附註：

Notes:

- (i) 折舊計提約561,000港元(二零二一年：579,000港元)及2,990,000港元(二零二一年：3,602,000港元)分別計入截至二零二二年十二月三十一日止年度綜合損益表中銷售成本及管理費用內。
- (ii) 於二零二二年十二月三十一日，賬面值約38,502,000港元(二零二一年：43,739,000港元)之若干租賃土地已抵押予一家銀行作為銀行融資之抵押品。

- (i) The depreciation charges of approximately HK\$561,000 (2021: HK\$579,000) and HK\$2,990,000 (2021: HK\$3,602,000) were included in cost of sales and administrative expenses, respectively, in the consolidated statement of profit or loss for the year ended 31 December 2022.
- (ii) As at 31 December 2022, certain leasehold lands with carrying amount of approximately HK\$38,502,000 (2021: HK\$43,739,000) were pledged to a bank as collateral for banking facilities.

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19. 附屬公司之投資

於二零二二年十二月三十一日，本公司附屬公司之詳情如下：

19. INVESTMENTS IN SUBSIDIARIES

As at 31 December 2022, the particulars of the Company's subsidiaries are as follows:

附屬公司名稱 Name of subsidiary	註冊成立/成立 之地點及日期 Place and date of incorporation/ establishment	業務地點 Place of business	已發行及已繳足 股本之詳情 Particulars of issued and paid up capital	所有權權益比例 Proportion of ownership interest			主營業務 Principal activities
				本集團 實際權益 Effective interest of the Group %	本公司持有 Held by the Company %	一間附屬 公司持有 Held by a subsidiary %	
利成控股有限公司	英屬處女群島 一九九八年十二月三日	附註(d)	20股每股面值 1美元之普通股	100	100	-	投資控股
Lee Shing Holdings Limited	British Virgin Islands 3 December 1998	Note (d)	20 ordinary shares of US\$1 each	100	100	-	Investment holding
龍科國際貿易(上海)有限公司 (附註(a))	中國 二零二零年二月二十四日	中國	註冊資本 200,000美元	100	100	-	貿易稀土產品
Wellfire (Shanghai) Company Limited (note (a))	The PRC 24 February 2000	The PRC	Registered capital US\$200,000	100	100	-	Trading of rare earth products
Dynamic Goal Worldwide Inc.	英屬處女群島 二零二零年五月三十一日	附註(d)	2股每股面值 1美元之普通股	100	-	100	投資控股
Dynamic Goal Worldwide Inc.	British Virgin Islands 31 May 2000	Note (d)	2 ordinary shares of US\$1 each	100	-	100	Investment holding
宜興新威利成稀土有限公司 (附註(b))	中國 一九九三年七月十七日	中國	註冊資本 15,660,000美元	95	-	95	製造及銷售稀土產品
Yixing Xinwei Leeshing Rare Earth Company Limited (note (b))	The PRC 17 July 1993	The PRC	Registered capital US\$15,660,000	95	-	95	Manufacturing and sales of rare earth products
利成耐火(附註(a))	中國 一九九九年七月三十日	中國	註冊資本 17,000,000美元	100	-	100	製造及銷售耐火產品
Leeshing Refractory (note (a))	The PRC 30 July 1999	The PRC	Registered capital US\$17,000,000	100	-	100	Manufacturing and sales of refractory products
微科資源有限公司	香港 一九九八年十月二十三日	香港	普通股 2港元	100	-	100	貿易稀土產品
Microtech Resources Limited	Hong Kong 23 October 1998	Hong Kong	Ordinary shares HK\$2	100	-	100	Trading of rare earth products

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19. 附屬公司之投資(續)

19. INVESTMENTS IN SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立/成立 之地點及日期 Place and date of incorporation/ establishment	業務地點 Place of business	已發行及已繳足 股本之詳情 Particulars of issued and paid up capital	所有權權益比例 Proportion of ownership interest			主營業務 Principal activities
				本集團 實際權益 Effective interest of the Group %	本公司持有 Held by the Company %	一間附屬 公司持有 Held by a subsidiary %	
中國稀土貿易有限公司 China Rare Earth Trading Limited	香港 二零二零年三月二十四日 Hong Kong 24 March 2020	香港 Hong Kong	普通股 2港元 Ordinary shares HK\$2	100	-	100	暫無業務 Inactive
高溫陶瓷(附註(a)) High Temperature Ceramics (note (a))	中國 二零零二年四月一日 The PRC 1 April 2002	中國 The PRC	註冊資本 30,000,000港元 Registered capital HK\$30,000,000	100	-	100	製造及銷售高溫陶瓷產品 Manufacturing and sales of high temperature ceramics products
蘇海鎂礦(附註(c)) Suhai Magnesium (note (c))	中國 二零零二年四月二十七日 The PRC 27 April 2002	中國 The PRC	註冊資本 人民幣25,000,000元 Registered capital RMB25,000,000	100	-	100	製造及銷售鎂砂產品 Manufacturing and sales of magnesium grains products
宜興威爾發非金屬材料有限公司 (附註(a)) Yixing Wellfire Nonmetal Materials Co., Ltd. (note (a))	中國 二零零六年九月二十七日 The PRC 27 September 2006	中國 The PRC	註冊資本 3,000,000美元 Registered capital US\$3,000,000	100	-	100	製造及銷售耐火相關產品 Manufacturing and sales of refractory related products
金茂控股有限公司 Golden Mile Holdings Limited	香港 二零一零年十二月六日 Hong Kong 6 December 2010	香港 Hong Kong	普通股 1港元 Ordinary share HK\$1	100	-	100	投資控股 Investment holding
宜興新威利成科技發展有限公司 (附註(a)) Yixing Xinwei Leeshing Technology Development Co., Ltd. (note (a))	中國 二零一八年二月二十三日 The PRC 23 February 2018	中國 The PRC	不適用 (附註(e)) N/A (note (e))	100	-	100	尚未開展業務 Not yet commenced business
宜興新威新材料有限公司 (附註(c)) Yixing Xinwei New Materials Co., Ltd. (note (c))	中國 二零二一年十一月十五日 The PRC 15 November 2021	中國 The PRC	不適用 (附註(e)) N/A (note (e))	95	-	95	尚未開展業務 Not yet commenced business

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19. 附屬公司之投資 (續)

附註：

- a) 該等公司根據中國法例註冊成立為外商獨資企業。
- b) 該公司根據中國法例註冊成立為中外合營企業。
- c) 該等公司根據中國法例註冊成立為有限責任公司。
- d) 該等公司為並無特定業務地點之投資控股公司。
- e) 於二零二二年及二零二一年十二月三十一日，該等公司之註冊資本並未由本集團注資。

概無附屬公司擁有任何於年結日或年內任何時間持續有效之債務證券。

截至二零二二年及二零二一年十二月三十一日止年度，本集團並無附屬公司持有重大非控股權益。

19. INVESTMENTS IN SUBSIDIARIES (Continued)

Notes:

- a) These companies are registered under the laws of the PRC as wholly-owned foreign enterprises.
- b) This company is registered under the laws of the PRC as a sino-foreign equity enterprise.
- c) These companies are registered under the laws of the PRC as a limited liability enterprise.
- d) These companies are investment holding companies which have no specific principal place of business.
- e) As at 31 December 2022 and 2021, the registered capital of these companies has not been injected by the Group.

None of the subsidiaries had any debt securities subsisting at the end of the year or within any time during the year.

The Group had no subsidiary which has material non-controlling interests for the years ended 31 December 2022 and 2021.

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20. 存貨

a) 綜合財務狀況表之存貨包括：

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
原材料	Raw materials	10,146	13,852
在製品	Work in progress	60,343	69,740
產成品	Finished goods	120,921	257,552
		191,410	341,144

b) 確認為開支之存貨金額之分析如下：

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
已售存貨之賬面值	Carrying amount of inventories sold	808,925	1,108,857
存貨撇減	Write-down of inventories	417	17,704
存貨撇減撥回	Reversal of write-down of inventories	(45)	(73)
		809,297	1,126,488

由於市況轉變導致年內若干產品之估計可變現淨值增加，因此產生存貨撇減撥回。

a) Inventories in the consolidated statement of financial position comprise:

b) The analysis of the amount of inventories recognised as an expense is as follows:

The reversal of write-down of inventories arose due to an increase in the estimated net realisable value of certain products during the year as a result of change in market conditions.

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21. 應收賬款及其他應收款、預付款項
及按金21. TRADE AND OTHER RECEIVABLES, PREPAYMENTS
AND DEPOSITS

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
應收賬款	Trade receivables	530,813	583,157
減：應收賬款之減值虧損	Less: Impairment loss on trade receivables	(54,133)	(43,195)
應收賬款淨額	Trade receivables, net	476,680	539,962
其他應收款	Other receivables	2,196	2,429
減：其他應收款之減值虧損	Less: Impairment loss on other receivables	(1,211)	(1,471)
其他應收款淨額	Other receivables, net	985	958
其他可退回稅項	Other tax refundable	477,665 14,366	540,920 21,524
應收賬款及其他應收款	Trade and other receivables	492,031	562,444
預付款項及按金	Prepayments and deposits	13,065	6,352
總計	Total	505,096	568,796

附註：所有應收賬款及其他應收款、預付款項及按金預期可於一年內收回或確認為開支。

Note: All of the trade and other receivables, prepayments and deposits are expected to be recovered or recognised as expense within one year.

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21. 應收賬款及其他應收款、預付款項及按金(續)

應收賬款按發票日期(與收入確認日期相若)呈列之賬齡分析如下:

21. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

The presentation of ageing analysis of the trade receivables based on the invoice date, which is approximate to the revenue recognition date, is as follows:

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
六個月以內	Less than 6 months	249,877	493,762
六個月至一年以內	6 months to less than 1 year	147,634	61,443
一至兩年以內	1 year to less than 2 years	119,253	12,745
兩年以上	Over 2 years	14,049	15,207
		530,813	583,157
減: 應收賬款之減值虧損	Less: Impairment loss on trade receivables	(54,133)	(43,195)
		476,680	539,962

於截至二零二二年及二零二一年十二月三十一日止年度, 本集團一般給予其客戶平均介乎0至180日之信貸期, 而信譽良好之客戶則最多為365日。

本集團信貸於評估客戶的財政能力及付款往績後授出。本集團為所有客戶制定信貸限額, 僅在管理層之批准下方可超過信貸限額。管理層亦監督已逾期之應收賬款並跟進收回該等應收款項。

During the years ended 31 December 2022 and 2021, the Group generally allows a credit period ranging from 0 to 180 days to its customers and allows up to 365 days to reputable customers.

Credit is offered to customers following an assessment of their financial abilities and payment track record. Credit limits are set out for all customers and these can be exceeded only with the approval from management. Management also monitors overdue trade receivables, and follows up the collection of these receivables.

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21. 應收賬款及其他應收款、預付款項及按金(續)

減值虧損撥備之變動如下：

		應收賬款之減值		其他應收款之減值	
		Impairment of trade receivables		Impairment of other receivables	
		二零二二年	二零二一年	二零二二年	二零二一年
		2022	2021	2022	2021
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
於一月一日	At 1 January	43,195	36,513	1,471	2,380
已確認減值虧損淨額	Net impairment losses recognised	15,244	5,529	44	1,664
撤銷不可收回款項	Written off as unrecoverable	-	-	(185)	(2,628)
匯兌差異	Exchange differences	(4,306)	1,153	(119)	55
於十二月三十一日	At 31 December	54,133	43,195	1,211	1,471

本集團應用香港財務報告準則第9號所規定之預期信貸虧損模式，預期信貸虧損模式之減值方法載於附註32(a)。

21. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

The movements of loss allowances for impairment are as follows:

The Group applied the ECL model prescribed by HKFRS 9, and the impairment methodology of ECL model is set out in note 32(a).

22. 現金及現金等值項目

		二零二二年	二零二一年
		2022	2021
		千港元	千港元
		HK\$'000	HK\$'000
銀行結餘及現金	Bank balances and cash	1,452,386	1,819,833

現金及現金等值項目包括本集團持有之現金及按現行市場年利率介乎0%至0.3% (二零二一年：0%至0.3%) 計息之銀行結餘。

Cash and cash equivalents comprise cash held by the Group and bank balances at prevailing market interest rates ranging from 0% to 0.3% (2021: 0% to 0.3%) per annum.

於二零二二年十二月三十一日，本集團不可自由轉換或須遵守中國外匯管制之人民幣計值銀行結餘及現金約為1,451,402,000港元(二零二一年：1,817,366,000港元)。

As at 31 December 2022, the Group had bank balances and cash denominated in RMB that were either not freely convertible or were subject to exchange controls in the PRC amounting to approximately HK\$1,451,402,000 (2021: HK\$1,817,366,000).

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23. 應付賬款、應計款項及其他應付款

23. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
應付賬款	Trade payables	84,631	106,661
預提費用及其他應付款	Accrued expenses and other payables	22,490	23,904
應付關聯方款項(附註(i))	Amount due to a related party (note (i))	403	–
合約負債(附註(ii))	Contract liabilities (note (ii))	14,146	10,076
其他應付稅項	Other tax payable	84	1,571
應計款項及其他應付款	Accruals and other payables	37,123	35,551
總計	Total	121,754	142,212

附註：

- (i) 應付關聯方款項為非貿易性質、無抵押、免息及須按要求時償還。
- (ii) 有關金額主要指尚未交付銷售貨品之客戶預付款。

Notes:

- (i) The amount due to a related party is non-trade in nature, unsecured, interest-free and repayable on demand.
- (ii) The amounts primarily represent the advance payments from customers for sales of goods not yet delivered.

應付賬款按發票日期呈列之賬齡分析如下：

The presentation of ageing analysis of the trade payables based on the invoice date is as follows:

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
六個月以內	Less than 6 months	54,672	62,066
六個月至一年以內	6 months to less than 1 year	11,016	10,031
一至兩年以內	1 year to less than 2 years	8,756	9,196
兩年以上	Over 2 years	10,187	25,368
		84,631	106,661

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23. 應付賬款、應計款項及其他應付款
(續)

合約負債之變動如下：

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
於一月一日	At 1 January	10,076	33,906
於年初計入合約負債之年內 已確認收入	Revenue recognised during the year that was included in contract liabilities at the beginning of the year	(9,640)	(34,397)
因已收現金而增加，不包括 已確認為收入之金額	Increase due to cash received, excluding amounts recognised as revenue	14,771	9,934
匯兌差異	Exchange differences	(1,061)	633
於十二月三十一日	At 31 December	14,146	10,076

24. 應付董事款項

24. AMOUNTS DUE TO DIRECTORS

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
錢元英女士	Ms. Qian Yuanying	3,494	2,012
蔣泉龍先生	Mr. Jiang Quanlong	3,877	5,726
蔣才南先生	Mr. Jiang Cainan	134	147
		7,505	7,885

應付董事款項為無抵押、免息及按要求時償還。

The amounts due to directors are unsecured, interest-free and repayable on demand.

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25. 於綜合財務狀況表之所得稅

- a) 綜合財務狀況表之應付／(可收回)稅項之變動如下：

25. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

- a) The movement of tax payable/(recoverable) in the consolidated statement of financial position are as follows:

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
於一月一日	At 1 January	4,108	5,708
本年度撥備(附註9(a))	Provision for the year (note 9(a))		
— 中國企業所得稅	— PRC Enterprise Income Tax	2,456	4,497
本年度已付所得稅	Income tax paid during the year		
— 中國企業所得稅	— PRC Enterprise Income Tax	(4,891)	(6,170)
		1,673	4,035
匯兌差異	Exchange differences	(40)	73
於十二月三十一日	At 31 December	1,633	4,108
於綜合財務狀況表確認之 可收回稅項	Tax recoverable recognised in the consolidated statement of financial position	(911)	(808)
於綜合財務狀況表確認之 應付稅項	Tax payable recognised in the consolidated statement of financial position	2,544	4,916
應付稅項淨值	Net tax payable	1,633	4,108

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25. 於綜合財務狀況表之所得稅(續)

b) 已確認之遞延稅項資產

已確認遞延稅項資產之主要組成部份及其變動如下：

所產生之遞延稅項：

Deferred tax arising from:

於二零二一年一月一日
計入損益表(附註9(a))
匯兌差異

於二零二一年十二月三十一日
及二零二二年一月一日
計入損益表(附註9(a))
匯兌差異

於二零二二年十二月三十一日

25. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

b) Deferred tax assets recognised

The major components of deferred tax assets recognised and movement thereon are as follows:

應收賬款及其他
應收款之減值虧損
**Impairment loss
on trade and
other receivables**

千港元

HK\$'000

At 1 January 2021	4,670
Credited to profit or loss (note 9(a))	1,850
Exchange differences	165
At 31 December 2021 and 1 January 2022	6,685
Credited to profit or loss (note 9(a))	725
Exchange differences	(597)
At 31 December 2022	6,813

c) 尚未確認之遞延稅項資產

於二零二二年十二月三十一日，未於該等綜合財務報表確認有關稅項虧損之可扣減暫時差異約為859,840,000港元(二零二一年：524,717,000港元)。由於難以預測未來溢利來源，故並無就有關可扣減暫時差異確認遞延稅項資產。上述已計入僅可結轉最多五年之稅項虧損約為431,252,000港元(二零二一年：95,026,000港元)。其他虧損可無限期結轉。

c) Deferred tax assets not recognised

As at 31 December 2022, deductible temporary differences in respect of tax losses not recognised in these consolidated financial statements were approximately HK\$859,840,000 (2021: HK\$524,717,000). No deferred tax asset has been recognised in respect of such deductible temporary differences due to the unpredictability of future profits streams. Included in the above are tax losses of approximately HK\$431,252,000 (2021: HK\$95,026,000) which can only be carried forward for a maximum period of five years. Other losses may be carried forward indefinitely.

25. 於綜合財務狀況表之所得稅(續)

d) 尚未確認之遞延稅項負債

根據於二零零八年一月一日起生效之中國企業所得稅法，並無於中國成立或設有業務之非駐居企業或於中國成立或設有業務但相關收入並非實際與於中國成立或設有業務相關，則將須就各類被動收入(如源自中國之股息)按10%稅率繳納預扣所得稅。於二零零八年二月二十二日，財政部及國家稅務總局批准財稅(2008)1號，據此，於二零零七年十二月三十一日前自外資企業保留溢利作出之股息分派將獲豁免繳納預扣所得稅。

於二零二二年十二月三十一日，有關於中國成立之附屬公司自二零零八年之未分配溢利之暫時差異約為504,671,000港元(二零二一年：527,662,000港元)。由於本集團能控制該等附屬公司之股息政策，從而控制暫時差異之撥回時間，且於可見將來不大可能撥回暫時差異，故尚未就該等暫時差異確認遞延稅項負債約50,467,000港元(二零二一年：52,766,000港元)。

25. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

d) Deferred tax liabilities not recognised

Under the PRC Enterprise Income Tax Law with effect from 1 January 2008 onwards, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business but the relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding income tax at the rate of 10% on various types of passive income such as dividends derived from sources in the PRC. On 22 February 2008, the Ministry of Finance and State Administration of Tax approved Caishui (2008) No. 1, pursuant to which dividend distributions out of retained profits of foreign investment enterprises prior to 31 December 2007 will be exempted from withholding income tax.

As at 31 December 2022, temporary differences relating to the undistributed profits of subsidiaries established in the PRC since 2008 amounted to approximately HK\$504,671,000 (2021: HK\$527,662,000). Deferred tax liabilities of approximately HK\$50,467,000 (2021: HK\$52,766,000) have not been recognised in respect of these temporary differences as the Group is able to control the dividend policy of these subsidiaries and in turn to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

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26. 租賃負債

26. LEASE LIABILITIES

		二零二二年	二零二一年
		2022	2021
		千港元	千港元
		HK\$'000	HK\$'000
應付租賃負債：	Lease liabilities payables:		
一年內	Within 1 year	371	353
一年後但兩年內	After 1 year but within 2 years	391	371
兩年後但五年內	After 2 years but within 5 years	629	1,020
		1,391	1,744
減：流動負債項下顯示 於十二個月內到期償還 之款項	Less: Amounts due for settlement within 12 months shown under current liabilities	(371)	(353)
非流動負債項下顯示 於十二個月後到期償還 之款項	Amounts due for settlement after 12 months shown under non-current liabilities	1,020	1,391

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27. 股本及儲備

- a) 本集團綜合權益之各項部份於年初及年末結餘之對賬載於綜合權益變動表內。有關本公司權益之個別部份於年初至年末期間之變動詳情載列如下：

27. CAPITAL AND RESERVES

- a) The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

		本公司擁有人應佔				
		Attributable to owners of the Company				
		股本	股份溢價	購股權儲備	累計虧損	總值
		Share capital	Share premium	Share option reserve	Accumulated losses	Total
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零二一年一月一日	At 1 January 2021	234,170	2,243,256	-	(70,693)	2,406,733
二零二一年之權益變動：	Changes in equity for 2021:					
本年度虧損	Loss for the year	-	-	-	(12,242)	(12,242)
本年度其他全面收益	Other comprehensive income for the year	-	-	-	-	-
本年度全面虧損總值	Total comprehensive loss for the year	-	-	-	(12,242)	(12,242)
於二零二一年十二月三十一日 及二零二二年一月一日	At 31 December 2021 and 1 January 2022	234,170	2,243,256	-	(82,935)	2,394,491
二零二二年之權益變動：	Changes in equity for 2022:					
本年度虧損	Loss for the year	-	-	-	(428,411)	(428,411)
本年度其他全面收益	Other comprehensive income for the year	-	-	-	-	-
本年度全面虧損總值	Total comprehensive loss for the year	-	-	-	(428,411)	(428,411)
確認權益結算以股份為基礎之 付款(附註28)	Recognition of equity-settled share-based payments (note 28)	-	-	959	-	959
於二零二二年十二月三十一日	At 31 December 2022	234,170	2,243,256	959	(511,346)	1,967,039

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27. 股本及儲備(續)

b) 法定及已發行股本

27. CAPITAL AND RESERVES (Continued)

b) Authorised and issued share capital

		股份數目 Number of shares 千股 '000	金額 Amount 千港元 HK\$'000
每股面值0.10港元之普通股	Ordinary shares of HK\$0.10 each		
法定	Authorised		
於二零二一年一月一日、	At 1 January 2021,		
二零二一年十二月三十一日及	31 December 2021, and		
二零二二年十二月三十一日	31 December 2022	4,000,000	400,000
已發行及繳足	Issued and fully paid		
於二零二一年一月一日、	At 1 January 2021,		
二零二一年十二月三十一日及	31 December 2021, and		
二零二二年十二月三十一日	31 December 2022	2,341,700	234,170

普通股持有人有權獲得不時宣派之股息及於本公司會議上享有每股一票之投票權。所有普通股對本公司之剩餘資產均享有相等權益。

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

c) 儲備之性質及目的

i) 股份溢價

根據開曼群島公司法，股份溢價賬可供分派予本公司股東，惟於緊隨建議分派股息之日期後，本公司將有能力於日常業務過程中償還其到期債務。

c) Nature and purpose of reserves

i) Share premium

Under the Companies Act of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

27. 股本及儲備(續)

c) 儲備之性質及目的

i) 股份溢價(續)

本公司之股份溢價包括實繳盈餘約149,950,000港元，即本公司交換利成控股有限公司全部已發行股本所發行股份之面值，與本公司於一九九九年九月二十九日收購利成控股有限公司所持有附屬公司當日彼等之相關淨資產價值之差額。

ii) 資本儲備

資本儲備指本集團因應集團重組而已資本化之分配至法定儲備之總額。

iii) 法定儲備

自保留溢利撥至法定儲備乃根據有關之中國規則及規例以及本公司於中國成立之附屬公司之公司章程而作出，並經由各自之董事會批准。

法定儲備可用於抵銷過往年度之虧損(如有)並可轉換為實繳資本，惟於進行該轉換後之法定儲備結餘不得少於實體註冊資本之25%。

本公司若干於中國之附屬公司須最低限度向法定儲備轉撥按中國會計規則及規例釐定之純利之10%，直至該儲備結餘達至註冊資本之50%為止。作出之轉撥須向擁有人分派股息之前進行。

27. CAPITAL AND RESERVES (Continued)

c) Nature and purpose of reserves

i) Share premium (Continued)

The share premium of the Company included the contribution surplus of approximately HK\$149,950,000 which represented the difference between the nominal value of the shares of the Company issued in exchange for the entire issued share capital of Lee Shing Holdings Limited and the value of the underlying net assets of the subsidiaries held by Lee Shing Holdings Limited at the date they were acquired by the Company on 29 September 1999.

ii) Capital reserve

The capital reserve represents the capitalised aggregate appropriations to the statutory reserves made by the Group as a result of group reorganisation.

iii) Statutory reserves

Transfers from retained profits to statutory reserves were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC and were approved by the respective boards of directors.

Statutory reserves can be used to offset previous years' losses, if any, and may be converted into paid-up capital provided that the balance of the statutory reserves after such conversion is not less than 25% of the entity's registered capital.

The Company's certain subsidiaries in the PRC are required to transfer a minimum of 10% of their net profits, as determined in accordance with the PRC accounting rules and regulations to the statutory reserves until the reserve balance reaches 50% of the registered capital. The transfer must be made before distribution of dividends to owners.

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27. 股本及儲備(續)

c) 儲備之性質及目的(續)

iv) 匯兌儲備

匯兌儲備包括因換算海外業務之財務報表而產生之所有匯兌差異。該儲備乃根據附註2(r)所載之會計政策予以處理。

v) 購股權儲備

購股權儲備於本公司授出購股權時產生，並根據附註2(n)(ii)所載之會計政策予以處理。

d) 儲備之可供分派情況

於二零二二年十二月三十一日，可供分派予本公司擁有人之本公司儲備總額約為1,731,910,000港元(二零二一年：2,160,321,000港元)，其中包括本公司股份溢價約2,243,256,000港元(二零二一年：2,243,256,000港元)及抵銷累計虧損約511,346,000港元(二零二一年：82,935,000港元)。該等儲備可作出分派，惟緊隨建議宣派股息之日，本公司必須有能力償還於日常業務中到期的債項，方能作出分派。

e) 資本管理

本集團管理資本之主要目標乃保障本集團持續經營之能力以為股東帶來回報及讓其他股權持有人獲益，並維持優化之資本架構以減少資金成本。

本集團會積極及定期審閱及管理其資本架構，以在盡可能提高股東回報與穩健資本狀況可承受之較高貸款水平帶來的好處及保障之間取得平衡，並因應經濟狀況之變動對資本架構作出調整。為維持或調整資本架構，本集團可透過調整向股東支付之股息金額、發行新股、退還資本予股東或出售資產以減債。

27. CAPITAL AND RESERVES (Continued)

c) Nature and purpose of reserves (Continued)

iv) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2(r).

v) Share option reserve

The share option reserve arose upon the grant of share options of the Company and is dealt with in accordance with the accounting policies set out in note 2(n)(ii).

d) Distributability of reserves

As at 31 December 2022, the aggregate amount of the Company's reserves available for distribution to owners of the Company was approximately HK\$1,731,910,000 (2021: HK\$2,160,321,000) which included the Company's share premium of approximately HK\$2,243,256,000 (2021: HK\$2,243,256,000), and offsetting with accumulated losses of approximately HK\$511,346,000 (2021: HK\$82,935,000). These reserves are available for distribution provided that immediately following the date on which the dividend is proposed, the Company will be able to pay off its debts as they fall due in the ordinary course of business.

e) Capital management

The Group's primary 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 benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher stakeholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders or sell assets to reduce debt.

27. 股本及儲備(續)**e) 資本管理(續)**

與業界慣例一致，本集團以資產負債比率監控資本架構。該比率以本集團之借貸減現金及現金等值項目除以本公司擁有人應佔權益總值計算。本集團於二零二二年及二零二一年十二月三十一日並無淨債項。截至二零二二年十二月三十一日止年度期間，本集團之策略與二零二一年相同。

本公司及其任何附屬公司毋須遵守外界實施之資本規定。

28. 購股權計劃

於二零一四年六月六日舉行之股東週年大會上，本公司股東批准採納一項購股權計劃（「購股權計劃」），將於採納日期起計十年有效。

根據購股權計劃，本公司董事可向對本集團之發展及增長有所貢獻或將有貢獻之合資格人士，包括本公司及其附屬公司之董事、任何股東、供應商、客戶、專家顧問、顧問及合作夥伴或業務聯盟在該計劃條款及條件之規限下接受購股權認購本公司股份。合資格參與者將就每次授出之購股權支付象徵式代價。購股權可於本公司董事在提出要約時所釐定及指定予各承授人之期間內任何時間行使，惟不得超過各購股權授出日起計十年之期間，惟可遵照購股權計劃予以提早終止。

27. CAPITAL AND RESERVES (Continued)**e) Capital management (Continued)**

Consistent with industry practice, the Group monitors its capital structure on the basis of the gearing ratio. This ratio is calculated as the Group's borrowings less cash and cash equivalents over its total equity attributable to owners of the Company. There were no net debt for the Group as at 31 December 2022 and 2021. During the year ended 31 December 2022, the Group's strategy was unchanged from year 2021.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

28. SHARE OPTION SCHEME

At the annual general meeting of the Company held on 6 June 2014, the shareholders of the Company approved the adoption of a share option scheme (the "Share Option Scheme"), which will be valid for 10 years from the date of its adoption.

Under the Share Option Scheme, the directors of the Company may grant share options to eligible persons, including the directors of the Company and its subsidiaries, any of its shareholders, suppliers, customers, consultants, advisers and joint venture partners or business alliance who have contributed or will contribute to the development and growth of the Group, to take up options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. A nominal consideration will be paid by eligible participants for each lot of share options granted. An option may be exercised at any time during a period to be determined and identified by the directors of the Company to each grantee at the time of making the offer, but in any event, shall not exceed the period of 10 years from the date of grant of the particular option, subject to the early termination of the Share Option Scheme.

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28. 購股權計劃(續)

根據購股權計劃可能授出之購股權獲行使後將予發行之股份數目最多為167,264,305股。

於二零二二年十一月三十日，本公司向本集團五名現有僱員及五名擬聘僱員授出100,000,000份購股權，當中12,500,000份購股權授予主要管理人員，以行使價每股0.51港元認購本公司股本中每股面值0.10港元之普通股。已授出購股權之歸屬期為授出日期起計一年。

承授人可於二零二三年十一月三十日至二零二四年六月五日(包括首尾兩天)行使購股權以認購本公司股份。然而，承授人須達到若干條件方可行使購股權，包括一名現有僱員達到本公司薪酬委員會評核之若干績效目標及五名擬聘僱員獲接納為本集團僱員。否則，購股權將告失效。

本公司股份於二零二二年十一月三十日(即授出日期)的收市價為每股股份0.51港元。

根據Hull-White模式，於授出日期釐定的購股權的公平總值約為10,935,000港元。

28. SHARE OPTION SCHEME (Continued)

The maximum number of shares to be issued upon the exercise of options that may be granted under the Share Option Scheme is 167,264,305 shares.

On 30 November 2022, the Company granted 100,000,000 share options to five existing members of staff and five proposed members of staff within the Group, in which, 12,500,000 share options were granted to key management personnel, to subscribe for ordinary shares of HK\$0.10 each in the share capital of the Company at an exercise price of HK\$0.51 per share. The vesting period of the share options granted is one year from the date of grant.

The grantees may exercise the share options to subscribe for the Company's shares from 30 November 2023 to 5 June 2024 (both days inclusive). However, certain conditions must be met before the grantees can exercise the share options, including one existing staff member achieving certain performance targets evaluated by the Company's remuneration committee, and the five proposed staff members being accepted as staff of the Group. Otherwise, the share options will lapse.

The closing price of the Company's shares on 30 November 2022, being the date of grant, was HK\$0.51 per share.

The aggregate fair value of the share options determined at the date of grant based on the Hull-White model, was approximately HK\$10,935,000.

28. 購股權計劃(續)

以下假設乃用以計算於二零二二年十一月三十日所授出購股權的公平值：

授出日期股價(每股股份)	0.51港元
行使價(每股股份)	0.51港元
合約年期	1.52年
預期波幅(%)	28.00%
股息率(%)	0%
無風險利率(%)	4.68%

Hull-White模式已用於估計購股權的公平值。計算購股權公平值所使用的變量及假設乃基於本公司董事的最佳估計。變量及假設的變動可能導致購股權公平值有所變動。

截至二零二二年十二月三十一日止年度期間，本集團確認以股份為基礎之付款約959,000港元，並已從綜合損益表扣除。於截至二零二二年十二月三十一日止年度期間並無購股權獲行使或沒收，而於年末可予行使的購股權數目為100,000,000份。於年末的尚未行使購股權的加權平均剩餘合約年期為0.91年及行使價為每股0.51港元。

截至二零二一年十二月三十一日止年度內，並無購股權計劃項下之購股權獲授出、行使、沒收或尚未行使。

28. SHARE OPTION SCHEME (Continued)

The following assumptions were used to calculate the fair values of share options granted on 30 November 2022:

Grant date share price (per share)	HK\$0.51
Exercise price (per share)	HK\$0.51
Contractual life	1.52 years
Expected volatility (%)	28.00%
Dividend yield (%)	0%
Risk-free interest rate (%)	4.68%

The Hull-White model has been used to estimate the fair value of the share options. The variables and assumptions used in computing the fair value of the share options are based on the best estimate of the directors of the Company. Changes in variables and assumptions may result in changes in the fair value of the share options.

During the year ended 31 December 2022, the Group recognised share-based payments of approximately HK\$959,000, which has been charged to the consolidated statement of profit or loss. There were no share options exercised nor forfeited during the year ended 31 December 2022 and the number of share options exercisable at the end of the year is 100,000,000. The options outstanding at the end of the year have a weighted average remaining contractual life of 0.91 years and the exercise price of HK\$0.51 per share.

There were no share options granted, exercised, forfeited nor outstanding under the Share Option Scheme during the year ended 31 December 2021.

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29. 重大關連人士交易

a) 與關連人士之交易

除該等綜合財務報表其他地方所披露之交易及結餘外，本公司董事認為，下列為截至二零二二年及二零二一年十二月三十一日止年度內本集團訂立之重大關連人士交易：

關連人士名稱	與本集團之關係	交易性質	二零二二年 2022	二零二一年 2021
Name of related party	Relationship with the Group	Nature of transaction	千港元 HK\$'000	千港元 HK\$'000
蔣泉龍先生	本公司執行董事	本集團已付根據香港財務報告準則第16號與短期租賃相關開支	-	868
Mr. Jiang Quanlong	Executive director of the Company	Expenses relating to short-term leases under HKFRS 16 paid by the Group	-	868
蔣鑫先生	本公司執行董事之近親家庭成員	本集團購買物業、廠房及設備之付款	351	-
Mr. Jiang Xin	Close family member of executive director of the Company	Payment for purchase of property, plant and equipment by the Group	351	-
蔣磊先生	本公司執行董事之近親家庭成員	本集團已付根據香港財務報告準則第16號與短期租賃相關開支	842	-
Mr. Jiang Lei	Close family member of executive director of the Company	Expenses relating to short-term leases under HKFRS 16 paid by the Group	842	-

本公司董事認為，上述交易乃於一般業務過程中根據規管該等交易之協議條款訂立。

29. MATERIAL RELATED PARTY TRANSACTIONS

a) Transactions with related parties

In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, the directors of the Company consider that the followings are the material related party transactions entered into by the Group during the years ended 31 December 2022 and 2021:

The directors of the Company are of the opinion that the above transactions were entered into under the normal course of business and in accordance with the terms of the agreements governing such transactions.

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29. 重大關連人士交易 (續)

b) 與主要管理人員之交易

主要管理人員之酬金 (包括支付予附註10所披露之本公司董事及附註11所披露之最高薪酬人士及高級管理人員之金額) 如下：

29. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

b) Transactions with key management personnel

Emoluments for key management personnel, including amounts paid to the Company's directors as disclosed in note 10, and the highest paid employees and senior management as disclosed in note 11 are as follows:

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
短期僱員福利	Short-term employee benefits	5,746	5,732
退休後福利	Post-employment benefits	178	160
		5,924	5,892

30. 承擔

於二零二二年十二月三十一日，本集團並無有關物業、廠房及設備之收購及建造之已訂約但未撥備的資本承擔 (二零二一年：4,840,000港元)。

30. COMMITMENTS

As at 31 December 2022, the Group did not have any capital commitment in respect of the acquisition and construction of property, plant and equipment contracted but not provided for (2021: HK\$4,840,000).

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31. 按類別劃分之金融工具

於各報告期末，各類別金融工具之賬面值載列如下：

31. FINANCIAL INSTRUMENTS BY CATEGORIES

The carrying amounts of each of the categories of financial instruments at the end of each reporting period are as follows:

		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
金融資產	Financial assets		
應收賬款	Trade receivables	476,680	539,962
其他應收款	Other receivables	985	958
現金及現金等值項目	Cash and cash equivalents	1,452,386	1,819,833
按攤銷成本計量之 金融資產	Financial assets measured at amortised cost	1,930,051	2,360,753
		二零二二年 2022 千港元 HK\$'000	二零二一年 2021 千港元 HK\$'000
金融負債	Financial liabilities		
應付賬款	Trade payables	84,631	106,661
預提費用及其他應付款	Accrued expenses and other payables	22,490	23,904
應付關聯方款項	Amount due to a related party	403	-
應付董事款項	Amounts due to directors	7,505	7,885
租賃負債	Lease liabilities	1,391	1,744
按攤銷成本計量之 金融負債	Financial liabilities measured at amortised cost	116,420	140,194

32. 財務風險管理及金融工具之公平值

金融工具之風險包括本集團在日常業務過程中產生之信貸風險、流動資金風險、利率風險及貨幣風險。本集團承擔該等風險的狀況及本集團管理該等風險所採用的財務風險管理政策及慣例載列於下文。

a) 信貸風險

信貸風險指交易對手無法履行合約責任導致本集團財務虧損之風險。本集團信貸風險主要來自應收賬款、其他應收款及銀行結餘。管理層已實施信貸政策，並持續監察該等信貸風險。

最大風險及年終階段

下表顯示於十二月三十一日基於本集團信貸政策的信貸質素及最大信貸風險，主要根據逾期資料（除非無需額外成本或努力即可獲得的其他資料）及年終階段分類。

所呈列金額為金融資產之賬面總值及財務擔保合約所面對的信貸風險。

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The risks associated with the financial instruments include credit risk, liquidity risk, interest rate risk and currency risk arise in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables, other receivables and bank balances. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

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32. 財務風險管理及金融工具之公平值
(續)

a) 信貸風險(續)

最大風險及年終階段(續)

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

a) Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

		二零二二年 2022				
		12-month ECLs		整個存續期之預期信貸虧損 Lifetime ECLs		總計 Total
		第一階段 Stage 1 千港元 HK\$'000	第二階段 Stage 2 千港元 HK\$'000	第三階段 Stage 3 千港元 HK\$'000	簡化方法 Simplified approach 千港元 HK\$'000	
應收賬款	Trade receivables	-	-	-	530,813	530,813
其他應收款	Other receivables	985	-	1,211	-	2,196
銀行結餘	Bank balances	1,452,084	-	-	-	1,452,084
		1,453,069	-	1,211	530,813	1,985,093
		二零二一年 2021				
		12-month ECLs		整個存續期之預期信貸虧損 Lifetime ECLs		總計 Total
		第一階段 Stage 1 千港元 HK\$'000	第二階段 Stage 2 千港元 HK\$'000	第三階段 Stage 3 千港元 HK\$'000	簡化方法 Simplified approach 千港元 HK\$'000	
應收賬款	Trade receivables	-	-	-	583,157	583,157
其他應收款	Other receivables	958	-	1,471	-	2,429
銀行結餘	Bank balances	1,819,772	-	-	-	1,819,772
		1,820,730	-	1,471	583,157	2,405,358

32. 財務風險管理及金融工具之公平值 (續)

a) 信貸風險(續)

(i) 應收賬款

為盡量減低應收賬款之信貸風險，管理層已訂立一項信貸政策，並對有關信貸風險進行持續監察。本集團會定期對各主要客戶之財務狀況及條件進行信貸評估。該等評估針對客戶過往支付到期款項之歷史及目前之支付能力，並考慮客戶特定資料及客戶經營所處經濟環境之資料。本集團並無就其金融資產要求任何抵押品。

本集團須承受之信貸風險主要受各客戶之個別特點所影響。客戶所經營行業及國家之拖欠風險亦會對信貸風險有所影響，但程度較低。於報告期末，應收賬款總額中29.3%（二零二一年：24.4%）及64.3%（二零二一年：81.2%）分別來自本集團之最大客戶及五大客戶。

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

a) Credit risk (Continued)

(i) Trade receivables

In respect of trade receivables, in order to minimise credit risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its customers' financial position and conditions are performed on each major customer periodically. These evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. The Group does not require collateral in respect of its financial assets.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and the country in which customers operate also has an influence on credit risk but to a lesser extent. At the end of the reporting period, 29.3% (2021: 24.4%) and 64.3% (2021: 81.2%) of the total trade receivables were due from the Group's largest customer and the five largest customers respectively.

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32. 財務風險管理及金融工具之公平值
(續)

a) 信貸風險(續)

(i) 應收賬款(續)

最高信貸風險指經扣除任何減值虧損後綜合財務狀況表內各金融資產的賬面值。於二零二二年及二零二一年十二月三十一日，本集團未提供將使本集團承受信貸風險的任何擔保。

本集團根據香港財務報告準則第9號評估應收賬款之整個存續期之預期信貸虧損，以確保就發生違約之可能性或風險顯著增加而作出足夠之減值虧損。已就債務人之應收賬款預期信貸虧損使用適當組別之撥備矩陣進行個別或集體評估。作為本集團信貸風險管理之部份，本集團使用債務人之賬齡評估減值虧損，乃由於該等客戶包括大量有共同風險特徵的客戶，而該風險特徵代表客戶根據合約條款悉數支付到期款項的能力。估計虧損率乃基於債務人於預期年期的過往觀察所得的違約率估計，並在毋須付出繁重成本或努力下可取得的前瞻性資料調整。

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

a) Credit risk (Continued)

(i) Trade receivables (Continued)

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment loss. As at 31 December 2022 and 2021, the Group did not provide any guarantees which would expose the Group to credit risk.

The Group assesses lifetime ECLs for trade receivables under HKFRS 9 to ensure that adequate impairment losses are made for significant increase in the likelihood or risk of a default occurring. The ECLs on trade receivables are assessed for debtors individually or collectively using a provision matrix with appropriate groupings. As part of the Group's credit risk management, the Group uses debtors' ageing to assess with the impairment loss because these customers consist of a large number of customers which share common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The estimated loss rates are estimated on historical observed default rates over the expected lives of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

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32. 財務風險管理及金融工具之公平值
(續)

a) 信貸風險(續)

(i) 應收賬款(續)

下表提供有關本集團就應收賬款所承擔信貸風險及預期信貸虧損之資料：

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

a) Credit risk (Continued)

(i) Trade receivables (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

		二零二二年 2022		
		預期虧損率 Expected loss rate	賬面總額 Gross carrying amount 千港元 HK\$'000	減值之虧損撥備 Loss allowances for impairment 千港元 HK\$'000
即期(未逾期)	Current (not yet past due)	7.53%	131,407	9,897
逾期少於六個月	Less than 6 months past due	6.16%	341,408	21,025
逾期超過六個月但少於一年	More than 6 months but less than 1 year past due	24.47%	45,845	11,220
逾期超過一年但少於兩年	More than 1 year but less than 2 years past due	66.66%	485	323
逾期超過兩年	Over 2 years past due	100%	11,668	11,668
			530,813	54,133
		二零二一年 2021		
		預期虧損率 Expected loss rate	賬面總額 Gross carrying amount 千港元 HK\$'000	減值之虧損撥備 Loss allowances for impairment 千港元 HK\$'000
即期(未逾期)	Current (not yet past due)	1.91%	312,143	5,965
逾期少於六個月	Less than 6 months past due	8.39%	243,061	20,385
逾期超過六個月但少於一年	More than 6 months but less than 1 year past due	12.67%	12,607	1,598
逾期超過一年但少於兩年	More than 1 year but less than 2 years past due	28.68%	139	40
逾期超過兩年	Over 2 years past due	100%	15,207	15,207
			583,157	43,195

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32. 財務風險管理及金融工具之公平值 (續)

a) 信貸風險 (續)

(i) 應收賬款 (續)

預期虧損率乃根據過往兩年的實際虧損經驗得出。該等比率會作出調整以反映已蒐集歷史數據的期間的經濟狀況、當前狀況及本集團對應收款項於預期年限的經濟狀況的觀點的差異。

有關本集團來自應收賬款之信貸風險之進一步量化披露載於附註 21。

(ii) 銀行結餘

本集團透過在信貸評級卓著的金融機構存款減低信貸風險。由於銀行信貸評級良好，管理層預計任何對手方均不會不履行其責任。

b) 流動資金風險

本集團旗下之獨立營運實體須負責其各自之現金管理，包括現金盈餘之短期投資及籌措貸款以滿足預期現金需求，惟須獲董事會批准後，方可作實。本集團之政策為定期監察當前及預計之流動資金需求，以及遵守貸款契諾，確保本集團能維持充裕的現金及從主要金融機構取得足夠的承諾信貸融資，以滿足其短期及較長期流動資金需要。

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

a) Credit risk (Continued)

(i) Trade receivables (Continued)

Expected loss rates are based on actual loss experience over the past 2 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in note 21.

(ii) Bank balances

The Group mitigates its exposure to credit risk by placing deposits with financial institutions with established credit rating. Given the high credit ratings of the banks, the management does not expect any counterparty to fail to meet its obligations.

b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to the approval from board of directors. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

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32. 財務風險管理及金融工具之公平值
(續)

b) 流動資金風險(續)

下表載列本集團之金融負債於報告期末，基於合約未貼現現金流量(包括使用合約利率計得之利息付款或，如按浮息，則按報告期末之利率計)及本集團可被要求償還之最早日期所得之餘下合約期：

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

b) Liquidity risk (Continued)

The following tables set out the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates at the end of the reporting period) and the earliest date the Group can be required to pay:

		二零二二年 2022				
		合約未貼現現金流出 Contractual undiscounted cash outflow				
		一年內或 按要求償還	一年後但 兩年內	兩年後但 五年內	總計	賬面值
		Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
非衍生金融負債	Non-derivative financial liabilities					
應付賬款	Trade payables	84,631	-	-	84,631	84,631
預提費用及其他應付款	Accrued expenses and other payables	22,490	-	-	22,490	22,490
應付關聯方款項	Amount due to a related party	403			403	403
應付董事款項	Amounts due to directors	7,505	-	-	7,505	7,505
租賃負債	Lease liabilities	432	432	653	1,517	1,391
		115,461	432	653	116,546	116,420

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32. 財務風險管理及金融工具之公平值
(續)

b) 流動資金風險(續)

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

b) Liquidity risk (Continued)

		二零二一年 2021				
		合約未貼現現金流出 Contractual undiscounted cash outflow				
		一年內或 按要求償還	一年後但 兩年內 More than 1 year but	兩年後但 五年內 More than 2 years but	總計	賬面值
		Within 1 year or on demand	1 year but less than 2 years	2 years but less than 5 years	Total	Carrying amount
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
非衍生金融負債	Non-derivative financial liabilities					
應付賬款	Trade payables	106,661	-	-	106,661	106,661
預提費用及其他應付款	Accrued expenses and other payables	23,904	-	-	23,904	23,904
應付董事款項	Amounts due to directors	7,885	-	-	7,885	7,885
租賃負債	Lease liabilities	432	432	1,085	1,949	1,744
		138,882	432	1,085	140,399	140,194

c) 利率風險

本集團之利率風險主要來自現金及現金等值項目。由於現金及現金等值項目之利率預期不會重大變動，因此本集團預期將不會存在重大利率風險。

c) Interest rate risk

The Group's interest rate risk arises primarily from cash and cash equivalents. The Group does not anticipate significant interest rate risk to cash and cash equivalents because the interest rates of these balances are not expected to change significantly.

32. 財務風險管理及金融工具之公平值 (續)

c) 利率風險 (續)

i) 利率組合

下表詳細載列本集團的現金及現金等值項目於報告期末的利率組合：

	二零二二年 2022		二零二一年 2021	
	實際利率 Effective interest rate	千港元 HK\$'000	實際利率 Effective interest rate	千港元 HK\$'000
現金及現金等值項目 Cash and cash equivalents	0%-0.3%	1,452,386	0%-0.3%	1,819,833

ii) 敏感度分析

於二零二二年十二月三十一日，在所有其他變數保持不變的情況下，估計利率整體上升/下降50個基點將減少/增加本集團本年度除稅後虧損及減少/增加本集團累計虧損約5,450,000港元（二零二一年：增加/減少本集團截至二零二一年十二月三十一日止年度之除稅後溢利及減少/增加本集團累計虧損約7,208,000港元）。利率整體上升或下降對綜合權益的其他部份並無影響。

上述敏感度分析乃根據於報告期末所承擔之利率風險而釐定。有關分析乃假設於報告期末之未償還金融工具於整個年度尚未償還而編製。50個基點上升或下降為內部向主要管理人員匯報利率風險所使用之基點，並為管理層對利率的合理可能變動的評估。二零二一年已以相同基準作出分析。

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

c) Interest rate risk (Continued)

i) Interest rate profile

The following table details the interest rate profile of the Group's cash and cash equivalents at the end of the reporting period:

	二零二二年 2022		二零二一年 2021	
	實際利率 Effective interest rate	千港元 HK\$'000	實際利率 Effective interest rate	千港元 HK\$'000
Cash and cash equivalents	0%-0.3%	1,452,386	0%-0.3%	1,819,833

ii) Sensitivity analysis

As at 31 December 2022, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's loss after taxation for the year and decrease/increase the Group's accumulated losses by approximately HK\$5,450,000 (2021: increase/decrease the Group's profit after taxation for the year ended 31 December 2021 and decrease/increase the Group's accumulated losses by approximately HK\$7,208,000). Other components of consolidated equity would not be changed in response to the general increase or decrease in interest rates.

The sensitivity analysis above has been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. The 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible changes in interest rates. The analysis is performed on the same basis for year 2021.

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32. 財務風險管理及金融工具之公平值
(續)

d) 貨幣風險

本集團主要因以與有關集團實體的功能貨幣以外的貨幣進行買賣所產生應收款、應付款及現金及現金等值項目而面對貨幣風險。導致貨幣風險之貨幣主要為美元(「美元」)。

i) 所承擔之貨幣風險

下表詳列本集團就來自以與集團實體有關之功能貨幣以外貨幣計值之已確認資產或負債所承擔貨幣風險。

所承擔之貨幣風險

Exposure to currency risk

		美元 US\$ 二零二二年 2022 千港元 HK\$'000	美元 US\$ 二零二一年 2021 千港元 HK\$'000
應收賬款及其他應收款	Trade and other receivables	7,647	10,196
現金及現金等值項目	Cash and cash equivalents	1,102	2,331
應付賬款及其他應付款	Trade and other payables	(8,276)	(7,758)
所承擔之整體貨幣風險	Overall exposure to currency risk	473	4,769

本集團現時並無就外幣應收款及債務採取外幣對沖政策。本集團將密切監察外幣風險，並將在有需要時考慮對沖重大貨幣風險。

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables, and cash and cash equivalents that are denominated in a currency other than the functional currency of the group entities to which they relate. The currency giving rise to currency risk is primarily United States dollars ("US\$").

i) Exposure to currency risk

The following table details the Group's exposure to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the group entities to which they relate.

The Group currently does not have a foreign currency hedging policy in respect of its foreign currency receivables and debts. The Group will monitor its foreign currency exposure closely and will consider hedging significant currency exposure should the need arises.

32. 財務風險管理及金融工具之公平值
(續)

d) 貨幣風險(續)

ii) 敏感度分析

下表列示本集團之除稅後(虧損)／溢利及累計虧損因應本集團於報告期末面對重大風險之外幣匯率於該日可能出現之合理變動而隨即產生之變動，並假定其他風險變數維持不變。

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

d) Currency risk (Continued)

ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's (loss)/profit after taxation and accumulated losses that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

		除稅後虧損 減少／(增加)		除稅後溢利 增加／(減少)
	外幣匯率 增加／(減少)	及累計虧損 減少／(增加)	外幣匯率 增加／(減少)	及累計虧損 減少／(增加)
		Decrease/ (increase) in loss after taxation and decrease/ (increase) in accumulated losses		Increase/ (decrease) in profit after taxation and decrease/ (increase) in accumulated losses
		二零二二年 2022 千港元 HK\$'000		二零二一年 2021 千港元 HK\$'000
美元	US\$	5% (5%)	6 (6)	5% (5%) 200 (200)

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32. 財務風險管理及金融工具之公平值
(續)

d) 貨幣風險(續)

ii) 敏感度分析(續)

上表所示之分析結果代表對本公司於中國成立之各附屬公司按各自之功能貨幣計算並按各報告期末之匯率換算為港元以供呈列之用的除稅後(虧損)/溢利及權益之即時影響總和。

上述敏感度分析乃假設外幣匯率之變動已用於重新計量本集團於報告期末所持有之金融工具而釐定。此項分析依二零二一年之相同基準進行。

e) 公平值計量

按公平值以外價值計量之金融資產及負債之公平值

於二零二二年及二零二一年十二月三十一日，本集團按成本或攤銷成本計量之金融工具之賬面值與彼等之公平值並無重大差異。

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUE
OF FINANCIAL INSTRUMENTS (Continued)

d) Currency risk (Continued)

ii) Sensitivity analysis (Continued)

Results of the analysis as presented in the above table represent an aggregate of the instantaneous effects on (loss)/profit after taxation and equity for each of the Company's subsidiaries established in the PRC measured in their respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of each reporting period for presentation purposes.

The sensitivity analysis above has been determined assuming that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group at the end of the reporting period. The analysis is performed on the same basis for year 2021.

e) Fair value measurement

Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2022 and 2021.

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33. 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之變動，包括現金及非現金變動。融資活動所產生負債乃現金流量已於或未來現金流量將於綜合現金流量表分類為融資活動產生之現金流量。

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

		租賃負債 Lease liabilities 千港元 HK\$'000	貼現票據 Discounted bills 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零二一年一月一日	At 1 January 2021	3,345	-	3,345
融資現金流量之變動：	Changes from financing cash flows:			
已付租賃租金之資本部份	Capital element of lease rentals paid	(815)	-	(815)
已付租賃租金之利息部份	Interest element of lease rentals paid	(134)	-	(134)
已付利息	Interest paid	-	(321)	(321)
其他變動：	Other changes:			
利息開支(附註8(a))	Interest expenses (note 8(a))	134	321	455
終止現有租賃導致租賃負債減少	Decrease in lease liabilities by terminating the existing lease	(2,628)	-	(2,628)
新訂租賃導致租賃負債增加	Increase in lease liabilities from entering into a new lease	1,842	-	1,842
於二零二一年十二月三十一日 及二零二二年一月一日	At 31 December 2021 and 1 January 2022	1,744	-	1,744
融資現金流量之變動：	Changes from financing cash flows:			
已付租賃租金之資本部份	Capital element of lease rentals paid	(353)	-	(353)
已付租賃租金之利息部份	Interest element of lease rentals paid	(79)	-	(79)
已付利息	Interest paid	-	(218)	(218)
其他變動：	Other changes:			
利息開支(附註8(a))	Interest expenses (note 8(a))	79	218	297
於二零二二年十二月三十一日	At 31 December 2022	1,391	-	1,391

綜合財務報表附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至二零二二年十二月三十一日止年度 For the year ended 31 December 2022

34. 公司層面之財務狀況表

34. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

		二零二二年 2022	二零二一年 2021
		千港元 HK\$'000	千港元 HK\$'000
		附註 Note	
非流動資產	Non-current assets		
設備	Equipment	125	196
使用權資產	Right-of-use assets	1,293	1,662
附屬公司之投資	Investments in subsidiaries	151,707	151,707
		153,125	153,565
流動資產	Current assets		
預付款項及按金	Prepayments and deposits	241	244
應收附屬公司款項	Amounts due from subsidiaries	1,832,523	2,256,171
現金及現金等值項目	Cash and cash equivalents	42	275
		1,832,806	2,256,690
流動負債	Current liabilities		
應計款項及其他應付款	Accruals and other payables	8,338	7,349
應付董事款項	Amounts due to directors	6,927	4,412
應付附屬公司款項	Amounts due to subsidiaries	2,236	2,259
租賃負債	Lease liabilities	371	353
		17,872	14,373
流動資產淨值	Net current assets	1,814,934	2,242,317
資產總值減流動負債	Total assets less current liabilities	1,968,059	2,395,882
非流動負債	Non-current liabilities		
租賃負債	Lease liabilities	1,020	1,391
資產淨值	NET ASSETS	1,967,039	2,394,491
股本及儲備	CAPITAL AND RESERVES	27	
股本	Share capital	234,170	234,170
儲備	Reserves	1,732,869	2,160,321
權益總值	TOTAL EQUITY	1,967,039	2,394,491

35. 於截至二零二二年十二月三十一日止年度已頒佈但尚未生效之修訂本、新訂準則及詮釋之可能影響

截至此等綜合財務報表刊發日期，香港會計師公會已頒佈下列於截至二零二二年十二月三十一日止年度尚未生效且並無於此等綜合財務報表中採納的修訂本及新訂準則。其中包括以下可能與本集團有關者。

香港財務報告準則第10號及香港會計準則第28號之修訂本	投資者與其聯營公司或合營企業間資產出售或投入 ³
香港財務報告準則第16號之修訂本	售後租回之租賃負債 ²
香港財務報告準則第17號	保險合約 ¹
香港財務報告準則第17號之修訂本	保險合約 ¹
香港財務報告準則第17號之修訂本	初次應用香港財務報告準則第17號及香港財務報告準則第9號 ¹
香港會計準則第1號之修訂本	負債分類為流動或非流動 ²
香港會計準則第1號之修訂本	附帶契諾之非流動負債 ²
香港會計準則第1號之修訂本及香港財務報告準則實務報告第2號	會計政策之披露 ¹
香港會計準則第8號之修訂本	會計估計之定義 ¹
香港會計準則第12號之修訂本	與單一交易產生的資產和負債相關之遞延所得稅 ¹

¹ 於二零二三年一月一日或之後開始的年度期間生效。

² 於二零二四年一月一日或之後開始的年度期間生效。

³ 尚未釐定強制生效日期，惟可供採納。

本集團現正評估該等變動於初始應用期間之預期影響。截至目前，本集團認為採納該等修訂本不大可能對本集團之綜合財務報表造成重大影響。

35. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2022

Up to the date of issuance of these consolidated financial statements, the HKICPA has issued a number of amendments and new standard which are not yet effective for the year ended 31 December 2022 and which have not been adopted in these consolidated financial statements. These include the following which may be relevant to the Group.

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
HKFRS 17	Insurance Contracts ¹
Amendments to HKFRS 17	Insurance Contracts ¹
Amendments to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

¹ Effective for annual periods beginning on or after 1 January 2023.

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

³ No mandatory effective date yet determined but available for adoption.

The Group is in the process of making an assessment of what the impact of these developments are expected to be in the period of initial application. So far the Group has concluded that the adoption of them is unlikely to have significant impact on the Group's consolidated financial statements.

財務概要

FINANCIAL SUMMARY

		截至十二月三十一日止年度				
		For the year ended 31 December				
		二零二二年	二零二一年	二零二零年	二零一九年	二零一八年
		2022	2021	2020	2019	2018
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
收入	Revenue	810,413	1,212,471	1,112,317	1,018,535	902,095
銷售成本	Cost of sales	(809,297)	(1,126,488)	(1,036,492)	(941,427)	(841,667)
毛利	Gross profit	1,116	85,983	75,825	77,108	60,428
除稅前(虧損)/溢利	(Loss)/profit before taxation	(391,946)	28,083	26,495	40,908	921
所得稅支出	Income tax charge	(1,731)	(2,647)	(5,887)	(1,321)	(8,297)
本年度(虧損)/溢利	(Loss)/profit for the year	(393,677)	25,436	20,608	39,587	(7,376)
應佔：	Attributable to:					
本公司擁有人	Owners of the Company	(373,296)	24,274	19,710	38,885	(5,424)
非控股權益	Non-controlling interests	(20,381)	1,162	898	702	(1,952)
		(393,677)	25,436	20,608	39,587	(7,376)
		於十二月三十一日				
		As at 31 December				
		二零二二年	二零二一年	二零二零年	二零一九年	二零一八年
		2022	2021	2020	2019	2018
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
流動資產	Current assets	2,149,803	2,730,581	2,679,928	2,464,774	2,472,316
非流動資產	Non-current assets	259,827	316,424	252,585	267,282	297,941
資產總值	Total assets	2,409,630	3,047,005	2,932,513	2,732,056	2,770,257
流動負債	Current liabilities	132,174	155,366	145,842	127,102	151,575
非流動負債	Non-current liabilities	1,020	1,391	2,102	3,345	-
負債總值	Total liabilities	133,194	156,757	147,944	130,447	151,575
資產淨值	Net assets	2,276,436	2,890,248	2,784,569	2,601,609	2,618,682
股本	Share capital	234,170	234,170	234,170	234,170	234,170
儲備	Reserves	2,053,651	2,647,191	2,542,911	2,361,275	2,378,921
本公司擁有人	Equity attributable to					
應佔權益	owners of the Company	2,287,821	2,881,361	2,777,081	2,595,445	2,613,091
非控股權益	Non-controlling interests	(11,385)	8,887	7,488	6,164	5,591
權益總值	Total equity	2,276,436	2,890,248	2,784,569	2,601,609	2,618,682



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